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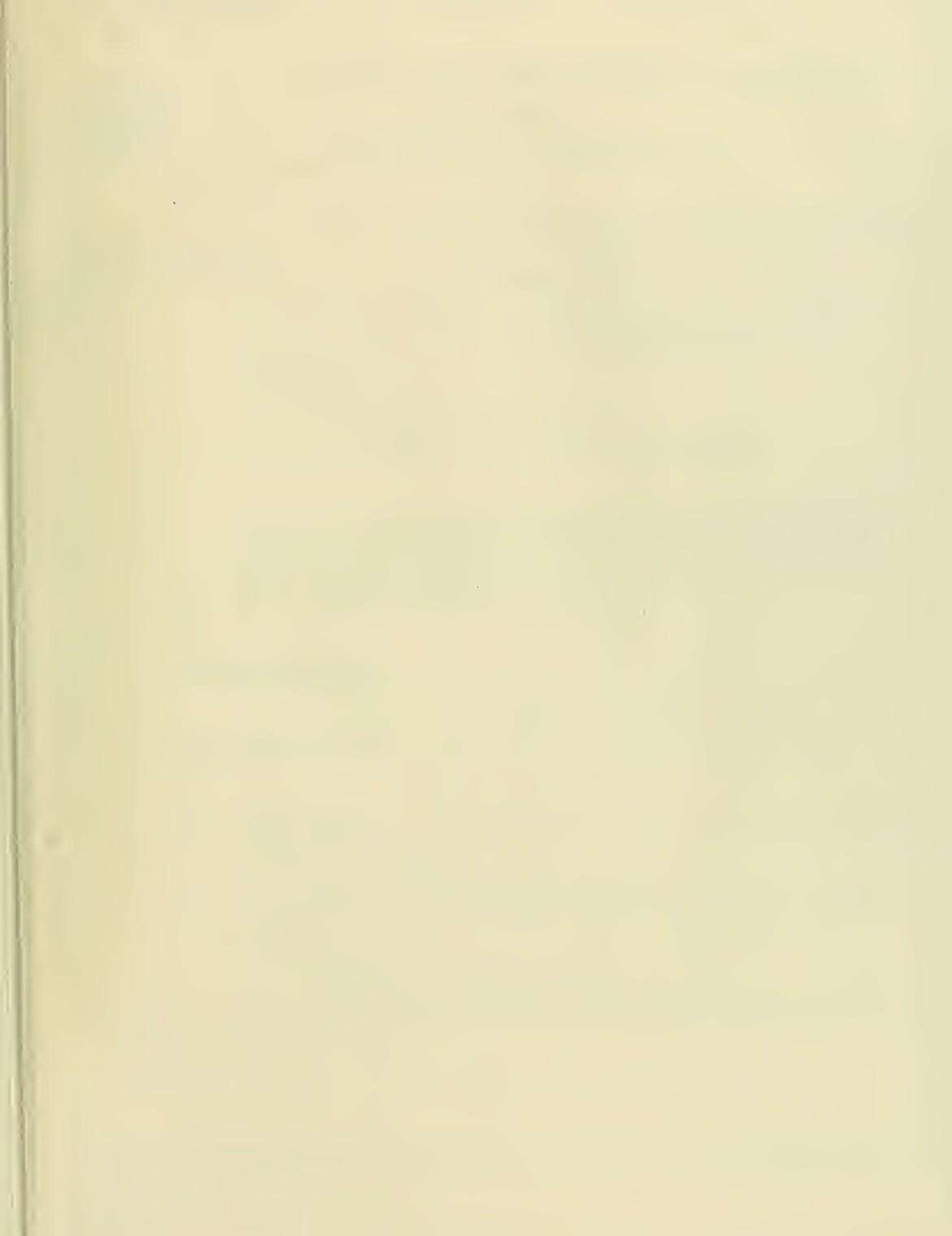


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City and County of San Francisco

Meeting Agenda

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

Clerk: Gail Johnson

Thursday, April 14, 2005

1:00 PM

City Hall, Legislative Chamber, Room 250

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents

- 1) Legislation
- 2) Budget Analyst report
- 3) Legislative Analyst report
- 4) Department or Agency cover letter and/or report
- 5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

REGULAR AGENDA

1. 050307 [Budget Updates]
Supervisor Ammiano
 Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Office of Legislative Analyst and City Departments.
- 2/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee
 3/17/05, CONTINUED Heard in Committee Speakers Noelle Summons, Mayor's Budget Office, Ken Bruce, Budget Analyst's Office
 Continued to March 24, 2005.
- 3/24/05, CONTINUED Heard in Committee Speaker Monique Zimuda, Deputy Controller.
 Continued to March 31, 2005.
- 3/31/05, CONTINUED TO CALL OF THE CHAIR Speakers None
- 4/7/05, CONTINUED Heard in Committee Speakers Andrew Murray, Office of the Legislative Analyst, Ernestine Weiss
 Continued to April 14, 2005

2. 050502 [Fire Department FY 2005-2006 Budget]
Supervisor Ammiano
Hearing for the Fire Department to provide a policy and performance based overview of their current year budget and proposed FY 2005-2006 budget submission to the Mayor.
3/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee. Sponsor requests this item be scheduled for consideration at the April 14, 2005 meeting.
3. 050598 [Accept-Expend Federal Funding - Community Development Block Grant]
Mayor
Resolution approving the 2005 Community Development Program; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's 2005 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income of \$31,336,306 which include indirect costs of \$120,000, and approving expenditure schedules for recipient departments and agencies and for indirect costs.
4/5/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
4. 050600 [Federal Funding - Emergency Shelter Grants Program]
Mayor
Resolution approving the 2005 Emergency Shelter Grants Program and Expenditure Schedule, and authorizing the Mayor on behalf of the City and County of San Francisco to accept and expend a \$923,756 entitlement grant under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development.
4/5/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
5. 050599 [Accept-Expend Federal Funding - HOME Program]
Mayor
Resolution authorizing the Mayor of the City and County of San Francisco to accept and expend the City's 2005 HOME Program entitlement grant from the U.S. Department of Housing and Urban Development (HUD) and Program Income of \$10,804,442 for the HOME Program authorized under TITLE II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and approving the HOME Program description as described in the 2005 Action Plan for San Francisco's Consolidated Plan
4/5/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
6. 050604 [Public Education Fund Allocation Plan]
Supervisor Ammiano
Hearing on the Public Education Fund Allocation Plan.
4/5/05, RECEIVED AND ASSIGNED to Budget and Finance Committee. Sponsor requests this item be scheduled for consideration at the April 14, 2005 meeting.
7. 050609 [Rejecting Sewer Rate Increase]
Supervisors McGoldrick, Mirikitani
Resolution rejecting the Public Utilities Commission's most recent sewer rate increase
4/5/05 RECEIVED AND ASSIGNED to Budget and Finance Committee

ADJOURNMENT**IMPORTANT INFORMATION**

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget and Finance Committee, San Francisco Board of Supervisors, 1 Dr Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE**(Not to be considered at this meeting)**

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

050602 [Recreation and Park - S.F. Small Craft Harbor Fees]

Supervisor Allioto-Pier

Ordinance making environmental findings and amending the San Francisco Park Code by repealing Section 12.11 and adopting a new Section 12.11 to increase current fees and add additional rental and services fees at the San Francisco Small Craft Harbor

4/5/05, ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/5/2005

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

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AVISO EN ESPAÑOL: La solicitud para un traductor en una reunión debe recibirse antes de mediodía de el viernes anterior a la reunión. Llame a Erasmo Vazquez (415) 554-4909.

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請電 (415) 554-7701**

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 7, 2005

DOCUMENTS DEPT.

TO: Budget and Finance Committee

APR 13 2005

FROM: Budget Analyst

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SUBJECT: April 14, 2005 Budget and Finance Committee Meeting

Item 2 - File 05-0431

Departments: Recreation and Park Department (RPD)
Office of Public Finance (OPF)

Item: Ordinance (a) re-appropriating \$15,964,440 from three large capital projects within the 2000 Neighborhood Recreation and Park Facilities Improvement General Obligation Bond program to instead fund the improvement and construction of parks and open space for 11 neighborhood park projects within the Lease Revenue Bond Capital Program, and (b) re-appropriating \$15,964,440 from 11 projects within the Lease Revenue Bond Capital Program to instead fund the improvement and construction of parks and open space for three large capital projects within the 2000 Neighborhood Recreation and Park Facilities Improvement General Obligation Bond Program.

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The three large capital projects include:

1. Moscone Recreation Center-Phase 1,
2. Chinese Recreation Center and
3. Larsen Park Sava Pool.

The 11 neighborhood park projects include:

1. Rossi Playground,
2. Fay Park Garden,
3. SOMA Park,
4. Juniperra Serra Playground/Clubhouse,
5. Sunnyside Playground/Clubhouse,
6. Sunnyside Conservatory,
7. Rolph Park Clubhouse,
8. Herz Playground/Coffman Pool,
9. Visitation Greenway Senior Park,
10. Moscone Recreation Center, Phase 1, and
11. St. Mary's Playground.

Amount: \$15,964,440

Source of Funds: 2000 Neighborhood Recreation and Park Facilities Improvement General Obligation Bonds and the 2004 Lease Revenue Bonds.

Description: The proposed re-appropriation of \$15,964,440 will enable the Recreation and Park Department to start work on 11 projects that were previously scheduled to receive Lease Revenue Bond funding, by paying for these 11 projects with previously approved General Obligation Bond funding. This proposed swap of funding sources between projects to be funded with General Obligation Bonds and projects to be funded with Lease Revenue Bonds will result in an estimated savings of approximately \$2,000,000 in FY 2004-2005 and \$2,000,000 in FY 2005-2006, for a total savings of \$4,000,000. This \$4,000,000 of savings results from a delay in the issuance of the Lease Revenue Bonds from the Fall of 2004 until the Spring of 2006, such that no payments of debt service are required during that period of time. Once the Lease Revenue Bonds are sold in April of 2006, \$15,964,440 of Lease Revenue Bond proceeds will then be used to replace the funding for those General Obligation

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Bond projects from which funds are now being re-appropriated.

The Recreation and Park Department is undertaking a ten-year major capital improvement program that is currently estimated to cost approximately \$400,000,000. \$133,581,910 of the total \$400,000,000 capital improvement program is needed to pay for 26 RPD projects, primarily using two major funding sources: (1) \$68,800,000 of General Obligation Bonds and (2) \$27,005,000 of Lease Revenue Bonds. The Attachment, provided by Ms. Mary Hobson of the Recreation and Park Department, details (a) RPD's capital plan of \$133,581,910 for 26 projects, (b) the current \$68,800,000 General Obligation Bond Fund appropriation, as authorized by the Board of Supervisors, (c) the current \$27,005,000 Lease Revenue Bond Fund appropriation, as authorized by the Board of Supervisors, (d) the re-appropriation of \$15,964,440 of General Obligation and Lease Revenue Bond funds, which is the subject of the proposed ordinance, and (e) the final appropriations that would result.

On October 24, 2004, the Board of Supervisors approved (a) a resolution authorizing the sale of the \$68,800,000 of 2000 Neighborhood Recreation and Park Facilities Improvement General Obligation Bonds (File 04-1177), (b) a resolution authorizing the sale of \$27,005,000 of the 2004 Lease Revenue Bonds (File 04-1175) and (c) an ordinance to appropriate the \$68,800,000 General Obligation Bond proceeds to fund improvements to 17 neighborhood parks and \$27,005,000 of Lease Revenue Bond proceeds to fund improvements to 11 neighborhood parks (File 04-1173).

In October of 2004, the City's Office of Public Finance sold the \$68,800,000 of the 2000 Neighborhood Recreation and Park Facilities Improvement General Obligation Bonds to finance 17 park projects. The amount of General Obligation funds currently appropriated for each of these 17

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projects is shown in the Attachment. However, RPD currently advises that three of the 17 General Obligation Bond funded projects (Moscone Recreation Center, Larsen Park Sava Pool and Chinese Recreation Center) have been delayed and are not anticipated to be ready for construction until after April of 2006.

To date, the 2004 Lease Revenue Bonds for the 11 neighborhood parks have not been sold. However, the 11 Lease Revenue Bond funded projects are estimated to require a total of \$15,964,440 of funding through April of 2006. The proposed re-appropriation would therefore take the General Obligation Bond funds that are earmarked for construction of the three large capital projects that are being delayed and re-appropriate them to fund the short-term needs of the 11 Lease Revenue Bond projects.

After the \$27,005,000 of Lease Revenue Bonds are sold, which is anticipated to be in April of 2006, \$15,964,440 from the \$27,005,000 of Lease Revenue Bond proceeds would then be used to repay the three General Obligation Bond projects that were financed with the \$15,964,440 of General Obligation Bond funds. The proposed ordinance also provides for this subsequent repayment, by authorizing the re-appropriation of the \$15,964,440 from the 11 Lease Revenue Bond funded projects back to the three General Obligation Bond funded projects. As shown in the Attachment, this will result in the General Obligation Bonds funding a total of 26 park projects and the Lease Revenue Bonds funding a total of four projects, although the total amount of funding from each of these two funding sources will not change.

Comment:

In July of 2004, the Recreation and Park Commission approved a set-aside of \$2,000,000 annually from the Open Space Fund to finance the debt service payments for the \$27,005,000 Lease Revenue Bonds. According to Ms. Nadia Sesay of the Office of Public Finance, the 2004 Lease

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Revenue Bonds were anticipated to be sold at an effective interest rate of approximately 4.731 percent, resulting in an average debt service of an estimated \$2,000,000 per year over the 21-year life of the Bonds, which were to be paid from the City's Open Space Fund. Ms. Sesay confirms that these Lease Revenue Bonds were originally anticipated to be sold in the Fall of 2004. Ms. Sesay advises that a delay of the sale of these Lease Revenue Bonds until April of 2006 will result in a deferral of debt service payments totaling an estimated \$2,000,000 in FY 2005-2006 and \$2,000,000 in FY 2006-2007, or a total deferral of \$4,000,000.

2. Ms. Katie Petrucione of RPD advises that the \$2,000,000 of set-aside of Open Space Funds in the FY 2004-2005 and FY 2005-2006 budgets, for a total of \$4,000,000, that was originally intended to be used to pay the debt service payments on the Lease Revenue Bonds, is being used to offset the FY 2004-2005 and FY 2005-2006 General Fund projected shortfalls in the RPD's budget.

Recommendation: Approve the proposed ordinance.

Proposed Transfer of Fund Sources Between Capital Projects
 3C-RPF-00E - 2000 Neighborhood Rec Park 4th Series
 3C-RFP-04A - 2004 Rec Park Revenue Bond

DIST	CAPITAL PLAN PROJECT NAME	Revised Budget	Secured Funds	Projected Need Gross/Generic Funds	Proposed Fund Type Swap				Resulting Appropriation		
					GO Bond 4th Sale	Revenue Bond Sources	USES	SOURCES	GO Bond 4th Sale	Revenue Bond Sources	
1	Arlorne PG & Clubhouse	2,673,000	221,476		2,451,524				2,451,524		
1	Ross PG - Children's PS	1,392,000	300,000		1,092,500		1,092,500		1,092,500		
2	Moscone Recreation Center Phase 1	8,000,000	1,148,439		3,051,561	3,800,000	2,456,950	6,287,430	2,456,950	592,611	
3	Chinese Recreation Center	9,600,000	1,550,725	1,600,000	6,449,275		6,287,430		6,287,430	6,287,430	
3	Fair Park - Garden	866,000	728,316			137,684	137,684			161,845	
4	Larsen Park Sava Pool	11,620,000	726,544	2,590,000	8,303,456			7,218,060		137,684	
4	Pine Lake Park - Meadow	5,454,000	1,870,000		3,584,000				1,085,396	7,218,060	
6	SOMA Park	4,000,000	1,603,132	860,907		1,535,961	1,535,961			3,584,000	
7	J.P. Murphy PG - Clubhouse	3,359,394	343,000		3,016,394					1,535,961	
7	Junipero Serra P/G - Clubhouse	1,950,000	100,000			1,850,000	1,850,000			3,016,394	
7	Summertime Clubhouse - PG	3,961,500	277,000			3,683,500	3,683,500			1,850,000	
8	Duboce Park - Harvey Milk Center	9,480,000	2,860,000	834,975	5,775,025					3,683,500	
8	Eureka Valley PG - RC	5,884,619	1,891,203	1,000,000	3,003,416					5,775,025	
8	Summertime Conservatory	3,600,000	89,564	2,607,468		902,968	902,968			3,003,416	
8	Upper Noe PG - RC	10,493,220	1,247,853		9,245,367					902,968	
9	Rolph Park PG & Clubhouse	2,370,000	100,000			2,270,000	2,270,000			9,245,367	
9	St. Mary's PG	1,500,000	50,000			1,450,000	313,862			2,270,000	
10	Herz PG - Coffman Pool	7,500,000	1,120,000		2,632,776	3,747,224	3,747,224			313,862	
10	Joseph Lee PG & RC	9,791,912	2,250,000			7,541,912				1,136,138	
10	Kellogg - Velasco Park	2,222,500	50,000	1,372,927		789,573				6,980,000	
10	Midtown Park - Yosemite Marsh Renovation	306,000	154,020			181,980				7,541,912	
10	Poetro del Sol	2,010,302		1,300,000		710,302				799,573	
10	Visitation Valley Greenway(RT) - Senior Park	476,438		45,697			430,741			151,980	
10	Visitation Valley Greenway(RT) - Tioga Lot	2,053,860	180,000	1,000,000		873,860				710,302	
11	Geneva Car Barn Improvements	1,378,000	540,000			838,000				430,741	
11	Oceanview PG & RC	15207643	4,573,664	600,000		10,033,979				873,860	
	Bond - Insurance Cost & Reserve	2,977,050				200,000	2,777,050			838,000	
	Controller Reserve	191,700				137,600	54,100			10,033,979	
	Program Management Reserve	3,273,272					3,273,272				
										200,000	
										2,777,050	
										27,005,000	
										68,800,000	
										15,964,440	
										13,811,974	
										68,800,000	
										15,964,440	
										68,800,000	
										27,005,000	
										d	
										c	
										b	
										a	

a Total of 17 projects.
 b Total of 11 projects.
 c Total of 26 projects.
 d Total of 4 projects.

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Item 3 - File 05-0417

Department: Mayor's Office of Criminal Justice (MOCJ)

Item: Hearing to consider release of reserved funds of \$500,000 for violence prevention programs for youth and young adults.

Amount: \$500,000

Source of Funds: FY 2004-2005 Annual Appropriation Ordinance from the General Fund Reserve.

Description: During the FY 2004-2005 budget deliberations, the Board of Supervisors added back \$1,000,000 of General Fund Reserve monies for the Mayor's Office of Criminal Justice (MOCJ) to provide violence prevention programs for youth and young adults in high risk areas in the City. According to MOCJ, youth are defined as 16 and 17 years of age and young adults are defined as persons between 18 to 24 years of age. The total \$1,000,000 addback was placed on reserve pending submittal of an expenditure plan by the Mayor's Office.

On November 3, 2004, the Finance and Audits Committee approved (File 04-1263) the release of \$500,000 of the \$1,000,000 addback and continued to reserve the remaining \$500,000, pending the (a) selection of violence prevention service providers for particularly serious offenders and (b) submission of a report by the Mayor's Office as to the final allocation of monies to these violence prevention service providers. The subject request is to release this remaining \$500,000 on reserve.

Attachment I, provided by Mr. David Mauroff of MOCJ, identifies (a) each of the nonprofit agencies, (b) the title of each program, (c) the original allocation for FY 2003-2004, (d) the original allocation for FY 2004-2005, (e) the initial \$500,000 allocation, (f) the additional \$500,000 allocation that is the subject of this request, (g) the proposed total amount of City funds in FY 2004-2005, by program, and (h) the

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proposed total amount of City funds in FY 2004-2005,
by non-profit agency.

Comments:

1. As shown in Attachment I, in FY 2003-2004, 17 nonprofit agencies received a total of \$4,955,422 to provide violence prevention programs for youth and young adults. In FY 2004-2005, the Mayor's Recommended Budget included \$4,149,958, a reduction of \$805,464, or 16.3 percent for the same 17 nonprofit agencies to provide violence prevention programs. However, as shown in Attachment I, the City, using Federal, State and local funds also provided an additional \$714,500 to five other nonprofit agencies for a total of \$4,864,458 in FY 2004-2005.

2. As noted above, the Board of Supervisors added back \$1,000,000 for additional violence prevention programs for youth and young adults in FY 2004-2005 to address the fact that the FY 2004-2005 allocations were \$805,464 less than in FY 2003-2004. The initial \$500,000 that was previously released was added to the original 17 non-profit agencies that had been allotted less funds in FY 2004-2005 as compared to FY 2003-2004, as detailed in Attachment I. As a result, total FY 2004-2005 funding for these violence prevention programs for youth and young adults currently totals \$5,364,458 (\$4,864,458 initial FY 2004-2005 funding + \$500,000 funds previously released). The Budget Analyst notes that this is \$409,036 or 8.3 percent more than the \$4,955,422 amount provided in FY 2003-2004.

As shown in Attachment I, if the subject requested additional \$500,000 is released, a total of \$5,864,458 would be provided to 22 nonprofit agencies to provide youth and young adult violence prevention programs, which is \$909,036, or 18.3 percent more than the \$4,955,422 funding provided in FY 2003-2004.

3. Regarding the requested release of \$500,000 on reserve, on November 17, 2004, MOCJ issued a Request for Proposal (RFP) to all eligible non-profit organizations to provide expanded employment, life skills and recreational activities for youth and young

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adults in San Francisco's most violent and crime-impacted neighborhoods. In response, MOCJ received 27 proposals from 25 non-profit organizations by December 10, 2005. Of the 27 proposals received from 25 non-profit organizations, the MOCJ is proposing to fund six proposals for six non-profit organizations for a total request of \$500,000, as shown in Attachment II.

Attachment II, provided by Mr. Mauroff, provides additional details for the subject requested \$500,000 release of reserved funds, identifying the (a) specific non-profit agency, (b) amount of funds to be provided, (c) specific neighborhoods to be served, (d) target populations to be served, and (e) a description of each program. As shown in Attachment II, of the total \$500,000 requested to be released from reserve, \$200,000 would be for recreation programs and \$300,000 would be for employment and life skills.

However, Mr. Mauroff advises that the specific allocation of the requested \$500,000 may increase or decrease as the MOCJ continues to negotiate workplans and contracts, the number of clients and the geographic areas to be served by each of the six non-profit agencies. According to Mr. Mauroff, these six agencies requested a total of \$747,200 of funding for these violence prevention programs, such that MOCJ has flexibility in negotiating the workplans and budgets for expenditure of the entire \$500,000 among the six selected non-profit agencies. Mr. Mauroff reports that the contracts with each of these six non-profit agencies will be finalized over the next two months. When such contracts are finalized, Mr. Mauroff advises that the MOCJ will present the results of the completed contracts to the Board of Supervisors.

4. The existing \$5,364,458 program (original allocation for FY 2004-2005 of \$4,864,458 plus prior release of \$500,000) is serving approximately 2,500 clients, or an average of \$2,146 per client, advises Mr. Mauroff. Mr. Mauroff advises that the requested expanded program for \$500,000 is intended to serve approximately 200 additional youth and young adults, or an average of

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\$2,500 per client. According to Mr. Mauroff, the costs per client are anticipated to increase with the proposed new programs because of the greater needs of the new target population of more violent youth and young adults between 16 and 24 years of age, and the intense and direct work that is required to intervene and prevent these youth from continuing to enter the criminal justice system or engaging in violent activity. Mr. Mauroff advises that each of the nonprofit agencies will be expected to provide services at a cost of between \$2,000 to \$5,000 per client.

5. According to Mr. Mauroff, Operation Ceasefire would be used to identify referrals of high-risk young adults into the six proposed violence prevention programs identified in Attachment II. Mr. Mauroff advises that Operation Ceasefire is a coordinated effort among Federal (U.S. Attorney's Office, Federal Bureau of Investigation and the Drug Enforcement Agency), State (California Bureau of Narcotics Enforcement and State Parole) and local (Police Department, District Attorney's Office, Adult Probation, Juvenile Probation and Sheriff's Department) agencies, in conjunction with non-profit job training, employment and religious organizations to prevent serious violence among young adults. Mr. Mauroff advises that these Operation Ceasefire referrals will be tracked by MOCJ staff to determine the monthly progress of the referral partners and the non-profit providers.

6. MOCJ anticipates funding the proposed additional \$500,000 for the six identified violence prevention programs for one year, beginning in approximately May of 2005 through May of 2006. If these programs are successful, Mr. Mauroff advises that the MOCJ may request that these programs receive continued funding into FY 2006-2007. Although the \$1,000,000 was a one-time addback, Mr. Mauroff also advises that MOCJ has requested that \$500,000 of additional funds be approved in the FY 2005-2006 budget to continue funding the 17 agencies whose funds were partially restored by the Board of Supervisors during the current year's FY 2004-2005 budget.

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7. The Finance and Audits Committee reserved this subject request of \$500,000, pending the selection of non-profit agency violence prevention service providers and submission of a report by the Mayor's Office as to the final allocation of monies to such violence prevention service providers. However, as previously noted, according to Mr. Mauroff, the requested release of \$500,000 may increase or decrease as the MOCJ continues to negotiate (a) workplans and contracts, (b) the number of clients and (c) the geographic areas to be served by each of the six selected non-profit agencies. Therefore, approval of the requested release of the \$500,000 of reserved funds is a policy matter for the Board of Supervisors.

Recommendation: As noted in Comment No. 7, approval of the requested release of reserved funds in the amount of \$500,000 is a policy matter for the Board of Supervisors.

Approval of the requested release of \$500,000 means that the Board of Supervisors agrees with (a) the RFP process MOCJ used for selecting the six non-profit agencies and, (b) MOCJ will provide the final allocation of the \$500,000 to these six non-profit agencies to the Board of Supervisors when the contact details are finalized in approximately two months.

Continuance of the requested release of \$500,000 means that, while MOCJ conducted a RFP process to select the six non-profit agencies, the MOCJ has not identified the final allocation of monies to these six violence prevention service providers, as directed by the Finance and Audits Committee as a condition for the release of these funds. This request could be continued until such time that the negotiations are completed and the contract details are available, or approximately two months.

Nonprofit Agency	Program	Original Allocation for FY 2003-2004	MOCJ FY 2004-2005 Allocation	\$1,000,000 B of S Addback	Current Allocation for FY 2004-2005 (including request addback)	Agency Total for FY 2004-2005
Asian Neighborhood Designs	Job Placement and Training		Agencies Impacted by Budget Cuts FY 2004-2005 (including those with budget cuts)	Initial \$500,000 Agencies FY 2004-2005 (including those with budget cuts)	Current \$500,000 Addback FY 2004-2005 Request FY 2004-2005	
Bayview Hunter's Point Foundation, Brothers Against Guns, Community Youth Center, Instituto Familiar de la Raza, Vietnamese Youth Development Center	Intensive Home-Based Supervision (work ordered to JPD - they determine exact amounts awarded to each agency)	300,000	257,545	257,545	26,475	
Boys and Girls Clubs of San Francisco*	Mission Safe Haven	201,816	191,810	191,810	6,500	\$198,310.00
Boys and Girls Clubs of San Francisco	Excelsior Youth Center			50,000		\$50,000.00
Brothers Against Guns	Gang Prevention and Intervention			50,000		\$50,000.00
Brothers Against Guns	Assessment and Case Management			50,000		\$50,000.00
Brothers Against Guns	Project Redirect				150,000	\$150,000.00
Delaney Street Foundation	Life Learning Academy Charter School	407,901	347,202	347,202	39,500	\$386,702.00
Family Services Agency of San Francisco	Impact Community High School	349,060	298,192	298,192	33,000	\$331,192.00
Girls 2000	Bayview Safe Haven	236,816	206,710	206,710	18,000	\$224,710.00
Girls 2000	Girls Leadership Institute Outreach and Crisis Intervention			43,000		\$446,710.00
Girls 2000	Peacekeepers	70,000	30,000	30,000	29,000	\$59,000.00
Girls 2000/Hunter's Point Family	Peacekeepers				60,000	\$60,000.00
Huckleberry Youth Programs*	Community Assessment and Referral Center	772,385	\$707,350	\$707,350	\$42,500	\$749,850.00
Huckleberry Youth Programs	Huckleberry House	584,000	444,975	444,975	77,000	\$521,975.00

Nonprofit Agency	Program	Original Allocation for FY 2003-2004	MOCJ FY 2004-2005 Allocation	\$1,000,000 B of S Addback	Current Allocation for FY 2004-2005 (including request addback)	Agency Total for FY 2004-2005
			Agencies Impacted by Budget Cuts FY 2004-2005	Initial \$500,000 Addback FY 2004-2005	Current \$500,000 Addback Request FY 2004-2005	
Japanese Community Youth Council*	Safety Network	\$67,484	312,400	35,500	\$347,900,00	\$347,900,00
Juvenile Probation Department (Community Works, Inc. and SaGE Project)	Girls Services (work ordered to JPD – they determine specific awards)	\$54,060	306,060	31,500	\$337,560,00	\$337,560,00
Mission Neighborhood Centers	Outreach and Crisis Intervention					
Mission Neighborhood Centers	Case Management					
Mission Neighborhood Centers	Mission Neighborhood Centers					
San Francisco SAFE	Neighborhood Safety Partnership	\$49,000	466,700	51,000	\$519,700,00	\$519,700,00
Straight Forward Thib						
United Playaz						
Urban Services YMCA	OMI Safe Haven	\$96,816	178,277	11,025	\$40,000,00	\$40,000,00
Urban Services YMCA	Western Addition Safe Haven	236,816	211,210	16,000	\$100,000,00	\$100,000,00
Urban Services YMCA	Bayview Beacon Case Manager					
Urban Services YMCA	OMI/Beehive Case Manager					
Urban Services YMCA	Western Addition Case Manager					
Urban Services YMCA	OMI/Excelsior Outreach and Crisis Intervention					
Urban Services YMCA*	Truancy Intervention					
Vietnamese Youth Development Center	Juvenile Justice Services	107,750		63,000	\$63,000,00	\$63,000,00
Walden House	Youth Treatment and Education Court (work ordered to courts – they determine specific awards)	221,518	191,527	18,000	\$209,527,00	\$209,527,00
Total		\$4,495,422,00	\$4,149,058,00	\$1,864,458,00	\$500,000,00	\$5,864,458,00

*These awards include subcontracts where funds are distributed to other agencies.

RECREATION: \$200,000 total

Agency	Amount	Neighborhood(s)	Target Population	Program Description
Hunters Point Family (Girls 2000)	\$60,000	Bayview Hunters Point	16-24	The goal of the Peacekeepers program is to prevent violence among youth and young adults in Bayview Hunters Point through intensive, consistent intervention activities that emphasize team building and mutual support among youth from every Bayview Hunters Point neighborhood.
Straight Forward Club	\$40,000	Laakeview/Ingleside and Western Addition	16-24	Straight Forward Club's primary goal is to develop participants' physical, emotional, social and intellectual asset by leading a health and well-disciplined life. Participants come to understand that in order to successfully compete in the boxing ring, they must abstain from substance abuse, learn to control their anger and develop a plan for success.
United Playaz	\$100,000	Alemany, Bayview Hunters Point, Visitacion Valley/Sunnydale, Outer Mission and Excelsior	16-24	The critical objective of United Playaz's Violence Prevention and Youth Leadership Development Program is to provide young people with the necessary skills and competencies to be critical thinkers about the factors and issues youth consider when making decisions about their own actions.

EMPLOYMENT & LIFE SKILLS: \$300,000 total

Agency	Amount	Neighborhood(s)	Target Population	Program Description
Asian Neighborhood Design	\$50,000	Alemany, Bayview Hunters Point, Lakeview/Ingleside, Mission, Potrero Hill, Visitacion Valley and Western Addition	18-24	Asian Neighborhood Design's proposal will supplement its existing construction training program and prepare youth for jobs and careers in construction and related occupations, and place the majority of them into unsubsidized jobs with career tracks.
Brothers Against Guns	\$150,000	Western Addition, Bayview Hunters Point, Visitacion Valley and other Southeast Neighborhoods	18-24	Project Redirect is a collaboration of public and private partners – lead by Brothers Against Guns – that will redirect the leadership skills of youth known as "shot callers" in various high crime communities towards healthy and positive actions that help to reshape the socio-economic landscape within their neighborhoods of origin.
Mission Neighborhood Centers	\$100,000	Mission and Outer Mission/Excelsior	18-24	By having experienced, street-savvy staff meet young people "where they are at" and build strong relationships, Mission Neighborhood Centers will increase GED, job training and life skills opportunities while preventing and reducing the number of youth entering or continuing in the criminal justice system.

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Item 3 - File 05-0598

Department: Mayor's Office of Community Development (MOCD)
Mayor's Office of Housing (MOH)

Item: Resolution (a) approving the FY 2005-2006 Community Development Program; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend the City's FY 2005-2006 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development, and Program Income of up to \$31,336,306, which includes indirect costs of \$120,000, and (b) approving expenditure schedules for recipient departments and agencies.

Amount: Up to \$31,336,306.

Source of Funds: U.S. Department of Housing and Urban Development (HUD)

Grant Period: July 1, 2005 through June 30, 2006

Required Match: None

Indirect Costs: \$120,000. According to Mr. John Hudson of MOCD, the proposed CDBG entitlement does not include such indirect costs. Therefore, the resolution should be amended to delete reference to indirect costs of \$120,000.

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Budget: A summary of the sources and uses of proposed FY 2005-2006 Community Development Block Grant funds is as follows:

Sources of Funds	
FY 2005-2006 CDBG	\$24,137,382
Reprogrammed Funds from Prior Years	1,794,232
Program Income	<u>5,404,692</u>
Total	\$31,336,306
Uses of Funds	
Housing Program Administration	\$2,119,424
Housing Program Grants	818,190
Housing Development Pool	5,241,907
Public Space Improvement	1,412,000
Public Space Improvement Contingency	253,449
Capital Investment	2,806,400
Capital Investment Contingency	555,844
Public Services Program	4,849,660
Economic Development & Microenterprise Assistance	2,186,619
Planning and Capacity Building	614,741
Program Administration (see Comment 1)	<u>5,073,380</u>
Subtotal	25,931,614
Program Income Funded Activities	<u>5,404,692</u>
Total	\$31,336,306

Description: Under Title I of the Federal Housing and Community Development Act of 1974, as amended, and related Federal regulations, San Francisco is eligible to receive a Community Development Block Grant (CDBG). The primary objective of the CDBG Program is to develop viable urban communities by supporting programs which provide decent housing, a suitable living environment, and economic opportunity for low and moderate income residents of San Francisco.

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Approval of the proposed resolution would (a) authorize MOCD to accept and expend the FY 2005-2006 CDBG up to \$31,336,306, including reprogrammed funds, which is \$2,393,459 or 7.6 percent less than the FY 2004-2005 CDBG of \$33,729,765, and (b) approve expenditures of up to \$5,404,692 in Program Income funds.

Attachment I, prepared by the Budget Analyst, contains a summary of the FY 2005-2006 CDBG allocations, as recommended by MOCD, including the Budget Analyst's recommendations regarding MOCD and MOH administrative expenditures, funded by the CDBG.

Summary of CDBG Programs:

The CDBG funds various programs, as described in Attachment II, provided by MOCD. MOCD issued Requests for Proposals for CDBG funding on December 15, 2004, with a proposal submission deadline of January 27, 2005. MOCD program staff reviewed the submitted proposals and made recommendations to the Citizens' Committee on Community Development, which conducted a public hearing on March 30, 2005, to receive public comment on the "FY 2005-2006 Preliminary Recommendations".

A summary of the proposed FY 2005-2006 CDBG Program is as follows:

Housing Program Administration (page 1 of Attachment I and pages 19 and 20 of Attachment II, which combine \$2,119,424 in Housing Program Administration and \$818,190 in Housing Program Grants, totaling \$2,937,614)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
\$2,516,084	\$2,119,424	(\$396,660)	(15.8%)

The CDBG Housing Program Administration funds administrative costs associated with the construction or management of low and moderate income housing units. In FY 2005-2006, non-profit organizations receiving

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funding through Housing Program Administration provide services, including (a) technical assistance related to the development of low and moderate income housing, (b) securing development sites and financing for housing projects, (c) conducting planning services for residential hotels, (d) asset management for existing housing properties, and (e) assisting low-income homeowners in obtaining loans to rehabilitate their properties.

Housing Program Grants (page 1 of Attachment I pages 19 and 20 of Attachment II, which combine \$2,119,424 in Housing Program Administration and \$818,190 in Housing Program Grants, totaling \$2,937,614)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
\$0	\$818,190	\$818,190	n/a

MOCD is allocating \$818,190 in the proposed FY 2005-2006 CDBG budget for a new Housing Program Grants program. As shown in Attachment I, the MOCD proposes to provide grants to non-profit organizations, ranging from \$25,000 to \$115,000. The Housing Program Grants are intended to fund tenant and housing services, including legal services, first time home buyers assistance, and housing services.

Housing Development Pool (page 1 of Attachment I and page 20 of Attachment II)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
\$ 5,241,907	\$ 5,241,907	\$0	0%

In FY 2005-2006, the MOH proposes to allocate \$6,741,907 to the Housing Development Pool, which includes \$5,241,907 in FY 2005-2006 CDBG funds and \$1,500,000 in FY 2004-2005 Program Income. MOH uses Housing Development Pool funds to purchase and rehabilitate properties for low-income housing. Total

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Housing Development Pool funding in FY 2005-2006 is included in the following table.

<u>Sources of Funds</u>	
Estimated FY 2004-2005 Program Income	\$1,500,000
FY 2005-2006 CDBG funds	<u>5,241,907</u>
Total	\$6,741,907
<u>Uses of Funds</u>	
MOH Community Housing Rehabilitation Program (CHRP) Loan Program for Single Family Housing Rehabilitation Projects	\$3,200,000
Construction Matching Funds for Lead Hazard Reduction Program	287,672
Predevelopment Expenses and Required Capitalized Reserves for the Essex Hotel, 684 Ellis Street, Supportive Housing for Chronically Homeless Program	<u>2,190,477</u>
Subtotal, Housing Development	\$5,678,149
Administrative Matching Fund	\$203,816
MOH Administrative Expenses	<u>859,942</u>
Subtotal, Administrative Expenses	<u>1,063,758</u>
Total	\$6,741,907

MOCD has allocated \$1,063,758, or 15.8 percent, of the \$6,741,907 Housing Development Pool in FY 2005-2006, to administrative expenses. According to Mr. Joel Lipski of MOH, such administrative expenses are allocated to the Housing Development Pool in accordance with HUD Regulation 570.202.

Public Space Improvements (page 1 of Attachment I and page 18 of Attachment II)

	FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
Public Space Improvements	\$1,400,000	\$1,412,000	\$12,000	0.9%
Public Space Improvements Contingency Fund	<u>239,696</u>	<u>253,449</u>	<u>13,753</u>	<u>5.7%</u>
	\$1,639,696	\$1,665,449	\$25,753	1.6%

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CDBG funds allocated for Public Space improvements are used for physical improvements to publicly accessible open spaces. Including construction of playground structures and planting trees.

In FY 2005-2006, MOCD has proposed \$1,412,000 for Public Space Improvements and \$253,449 for the Public Space Improvement Contingency Fund to fund unanticipated increased costs for outdoor and open space projects, totaling \$1,665,449. The \$253,449 Public Space Improvement Contingency Fund is 15.2 percent of the total proposed FY 2005-2006 Public Facility Improvement budget of \$1,665,449.

According to Mr. John Hudson of MOCD, the \$253,449 Public Space Improvement Contingency Fund includes \$141,165 for unanticipated construction costs and \$112,284 for program administration costs. Mr. Hudson states that such program administration costs are eligible under HUD Regulation 570.201c.

Capital Projects (pages 1 through 3 of Attachment I and pages 1 and 2 of Attachment II)

	FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
Capital Projects	\$3,805,300	\$2,806,400	(\$998,900)	(26.25%)
Capital Projects Contingency Fund	<u>3,897,154</u>	<u>555,844</u>	<u>(3,341,310)</u>	<u>(85.7%)</u>
Total Capital	\$7,702,454	\$3,362,244	(\$4,340,210)	(56.3%)

CDBG funds allocated to Capital Projects pay for capital repairs and improvements to existing facilities, such as electrical system upgrades, gymnasium floor replacement, and constructing additional space.

In FY 2005-2006, MOCD has proposed \$2,806,400 for Capital Projects and \$555,844 in Capital Projects Contingency Fund, totaling \$3,362,244. The \$555,844 Capital Projects Contingency Fund is 16.5 percent of the

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total proposed FY 2005-2006 Capital Projects budget of \$3,362,244.

According to Mr. John Hudson, the \$554,844 Capital Projects Contingency Fund includes \$293,403 for unanticipated construction costs and \$261,441 for program administration costs. Mr. Hudson states that such program administration costs are eligible under HUD Regulation 570.201c.

Public Services Program (pages 3 through 5 of Attachment I and pages 9 through 15 of Attachment II)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/ (Decrease)	Percent
\$ 4,826,150	\$ 4,849,660	\$23,510	0.5%

In FY 2005-2006, MOCD proposes to allocate \$4,849,660 to fund 91 non-profit organizations, providing services to low-income communities. Such programs include employment training and support services, parenting education, tutoring and community programs for youth, and supportive services to low-income seniors and others at risk.

Economic Development and Microenterprise Assistance (pages 5 and 6 of Attachment I and pages 3 through 5 of Attachment II)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/ (Decrease)	Percent
\$2,021,000	\$2,186,619	\$165,619	8.2%

MOCD provides Economic Development and Microenterprise Assistance funds to non-profit organizations to (a) create employment and entrepreneurial opportunities for low-income neighborhood residents and to revitalize low-income neighborhoods, and (b) assist individuals in starting and maintaining very small business enterprises.

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Planning and Capacity Building (pages 6 and 7)
Attachment I and pages 6 through 8 of Attachment II)

FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/ (Decrease)	Percent
\$780,733	\$614,741	(\$165,992)	(27%)

MOCD provides funding for planning and capacity building on a one-time basis to (a) assist with organizational development, such as board and staff training, and strategic planning, and (b) assist in the development of evaluations, feasibility studies and plans for projects.

The Planning and Capacity Building budget includes \$126,000 for MOCD Consolidated Planning. According to Mr. Hudson, such monies pay for MOCD staff to prepare the FY 2006-2007 Annual Consolidated Action Plan for the annual CDBG, Home Investment Partnership (HOME) Program (see File 05-0599 in the Budget Analyst's April 14, 2005 report to the Budget and Finance Committee) and Emergency Shelter Grant Program (see File 05-0600 in the Budget Analyst's April 14, 2005 report to the Budget and Finance Committee).

Additionally, the Planning and Capacity Building budget includes \$7,999 for MOH Planning and Capacity Building. The Budget Analyst notes that the MOH has not determined the use of such funds and therefore recommends reducing and reserving the Planning and Capacity Building budget by \$7,999, from \$614,741 to \$606,742.

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Administration (page 7 of Attachment I and pages 16 and 17 of Attachment II)

In FY 2005-2006, MOCD and MOH administrative costs funded by CDBG have increased as follows:

	FY 2004-2005 Budget	Proposed FY 2005-2006 Budget	Increase/(Decrease)	Percent
<u>MOCD Administrative Costs</u>				
Salaries and Fringe Benefits	\$2,006,572	\$2,685,906	\$679,334	33.9%
Administrative Overhead	406,083	444,376	38,293	9.4%
Services of Other Departments	<u>412,460</u>	<u>429,829</u>	<u>17,369</u>	4.2%
Total MOCD	\$2,825,115	\$3,560,111	\$734,996	2.6%
<u>MOH Administrative Costs</u>				
Salaries and Fringe Benefits	\$876,995	\$1,062,875	185,880	21.2%
Administrative Overhead	201,583	348,145	146,562	72.7%
Services of Other Departments	<u>234,475</u>	<u>102,250</u>	<u>(132,225)</u>	(56.4%)
Total MOH	\$1,313,053	\$1,513,270	\$200,217	15.2%
Total Administrative Costs	\$4,138,168	\$ 5,073,380	\$935,213	22.6%

MOCD Administrative Costs funded by CDBG

MOCD Salary and Fringe Benefit Costs

In FY 2005-2006, the MOCD has proposed two 0904 Mayoral Staff XVI positions, with combined salary and fringe benefit costs of \$293,521. Neither of these two positions were approved by the Board of Supervisors in the FY 2004-2005 CDBG budget but both positions are currently filled. The Budget Analyst considers approval of these two proposed 0904 Mayoral Staff XVI positions to be a policy matter for the Board of Supervisors.

Other MOCD Administrative Costs

The Budget Analyst recommends reducing and reserving proposed FY 2005-2006 expenditures for:

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- (a) Conference and Travel by \$10,000, from \$20,000 to \$10,000 to reflect actual FY 2004-2005 expenditures, and
- (b) Training by \$1,000, from \$7,500 to \$6,500 to reflect actual FY 2004-2005 expenditures.

Approval of the proposed reductions would result in the reserving of \$11,000 (\$10,000 plus \$1,000).

MOH Administrative Costs funded by CDBG

MOH Salary and Fringe Benefit Costs

The MOH has proposed the upward classification of one 9774 Senior Community Development I position to one 9775 Senior Community Development II position, with salary and fringe benefit costs of \$6,866. The MOH has not provided Department of Human Resources documentation, approving the upward classification, and therefore, the Budget Analyst recommends disapproval of the proposed upward classification.

The proposed position is funded by CDBG and HOME funds. The recommended disapproval of the proposed upward classification of the subject position would result in reducing and reserving:

- (a) \$3,391 in CDBG monies, which is the subject of this report, and
- (b) \$3,475 in HOME monies, which is the subject of File 05-0599.

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The MOH has requested one new 9774 Senior Community Development Specialist I position, with salary and fringe benefit costs of \$86,738. According to Ms. Lori Bamberger of MOH, the proposed new position will be allocated 50 percent to the Inclusionary Housing Program and 50 percent to the Community Housing Rehabilitation Program.

- The new position will be responsible for providing guidance to developers subject to the Inclusionary Housing Ordinance, marketing the program to the public, reviewing and preparing documents for eligible buyers and tenants, and monitoring program compliance. Ms. Bamberger states that MOH currently has 1.0 FTE 9774 Senior Community Development Specialist I position to monitor the existing 426 housing units covered by the Inclusionary Housing Program. Ms. Bamberger states that the new proposed 1.0 FTE 9774 Senior Community Development Specialist I position is necessary to meet the workload requirements of an anticipated 1,000 new housing units estimated to be in the pipeline of new developments subject to the Inclusionary Housing Program.
- The new position will also be responsible for the single family rehabilitation loan program, which is part of the Community Housing Rehabilitation Program (CHRP). Ms. Bamberger states that increased workload in FY 2005-2006 will result from changes in the program design to improve program performance and increased funding for CHRP loans.

The Budget Analyst recommends reducing the proposed 1.0 FTE 9774 Senior Community Development Specialist I position by 0.25 FTE, with an anticipated hire date of October 1, 2005. The proposed reduction would result in reserving \$21,684 in CDBG funds.

Other MOH Administrative Costs

The Budget Analyst recommends reducing and reserving specific proposed FY 2005-2006 administration expenditures to reflect actual FY 2004-2005 expenditures, including membership fees, postage, printing, and office supplies, resulting in total reductions of \$17,500, as noted below.

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	Proposed FY 2005-2006 MOH Administration Budget	Recommended FY 2005-2006 MOH Administration Budget	Budget Analyst's Recommended Reductions and Reserves of CDBG Funds	Budget Analyst's Recommended Reductions and Reserves of HOME Funds	Budget Analyst's Total Recommended Reductions and Reserves of CDBG/ HOME Funds
Memberships	3,551	2,551	900	100	1,000
Postage	4,058	2,558	550	950	1,500
Printing	21,306	10,306	5,500	5,500	11,000
Office Supplies	<u>16,131</u>	<u>12,131</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total	\$45,046	\$27,546	\$10,950	\$6,550	\$17,500

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Approval of the proposed reductions would result in the reserving of \$10,950 in CDBG monies, which is the subject of this report and \$6,550 in HOME monies, which is the subject of File 05-0599.

Information Technology Costs

The FY 2005-2006 CDBG budget includes \$518,600 for information system upgrades for MOH and MOCD. These proposed upgrades include:

- Software licenses and improvements to the local area network (LAN), wireless connection, back up operations, and other operational support.
- Server room upgrades.
- Workstation upgrades to replace 75 desktop computers that are five years old.
- The Mayor's continuity plan to manage business disruptions from unexpected events.
- System's application development for MOCD and MOH.

The MOH has not defined the scope of work for the proposed MOH system application development. Therefore, the Budget Analyst recommends reserving \$200,000 included in the proposed FY 2005-2006 MOH Administration budget, which includes \$150,000 in CDBG funds and \$50,000 in HOME funds.

Program Income Activities (page 8 of Attachment I
and page 21 of Attachment II)

	FY 2004- 2005 Budget	FY 2005- 2006 Proposed Budget	Increase/ (Decrease)	Percent
MOCD 108 Childcare Repayment	\$1,002,318	\$1,002,318	\$0	-0%
MOCD 108 Economic Development Loan Repayment	1,086,330	0	(1,086,330)	(100%)
MOCD Microenterprise Loan Program	250,000	250,000	-	-
MOCD Small Business Loan Program	750,000	1,750,000	1,000,000	133%
MOH CHRP Loan Program	1,500,000	2,222,374	722,374	48.2%
San Francisco Redevelopment Agency Central Relocation Services	192,000	180,000	(12,000)	(6.3%)
	\$4,780,648	\$5,404,692	\$624,044	13.1%

MOCD, MOH, and the San Francisco Redevelopment Agency (SFRA) receive Program Income through payment of rents to SFRA or sale of properties which were originally purchased with CDBG funds and through various loan programs, funded by HUD and provided by MOCD. Federal HUD regulations require that anticipated income from these programs be allocated through the submission of the FY 2005-2006 application for CDBG funds.

MOCD provides several types of loans from Program Income funds, including:

- (a) The MOCD Section 108 Childcare Repayment Program repays loans provided by HUD for childcare facilities.
- (b) The MOCD Microenterprise Loan Program provides loans up to \$10,000 to support microenterprises and self employment enterprises.
- (c) The MOCD Small Business Loan Program provides loans of up to \$100,000 to existing small businesses.

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- (d) The MOH Community Housing Rehabilitation Loan Program provides financial and technical assistance to eligible low-income home owners.

The San Francisco Redevelopment Agency (SFRA) receives CDBG Program Income monies from the sale or lease revenues of SFRA properties originally purchased with CDBG funds.

Comments:

1. The proposed resolution provides for the acceptance and expenditure of up to \$31,336,306 in the FY 2005-2006 CDBG entitlement from HUD. As noted above, the proposed uses of CDBG entitlement funds total \$31,336,306. However, on April 5, 2005, the MOH submitted a revised budget to the Budget Analyst, with total proposed uses of CDBG entitlement funds of \$31,325,313, a reduction of \$10,993.

The revised budget included reduced Administration costs of \$10,993, from the original proposed Administration costs of \$5,073,380 to revised proposed Administration costs of \$5,062,387. Therefore, the Budget Analyst recommends reducing and reserving Administration costs by \$10,993.

2. According to Mr. Hudson, \$63,749 in CDBG funds that were appropriated in prior years and placed on reserve have been reprogrammed in FY 2005-2006. According to Mr. Hudson, \$360,000 in CDBG funds, which were appropriated and reserved in the FY 2004-2005 MOH budget to fund a contract with the Mission Housing Development Corporation remain on reserve, pending an audit by the Controller. Mr. Hudson advises that no other CDBG funds that were appropriated in prior years remain on reserve.

3. Attachment III, provided by Mr. Hudson, is a list of 91 MOCD capital projects, which are uncompleted. As shown in Attachment III, the 91 MOCD capital projects have an unexpended balance of \$9,535,197.

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4. In summary, and as shown on page 8 of Attachment I, the Budget Analyst recommends that the Board of Supervisors reduce and reserve \$66,017 (\$7,999 plus \$58,018) in FY 2005-2006 CDBG funds, as follows:

- (a) Reduce and reserve the FY 2005-2006 Planning and Capacity Building budget by \$7,999, from \$614,741 to \$606,742. (see Planning and Capacity Building Section above).
- (b) Reduce and reserve the FY 2005-2006 Administration budget by \$58,018, from \$5,073,380 to \$5,015,362 (see Administration Section) as follows:
 - \$11,000 in conference, travel and training expenditures for MOCD Salaries and Overhead, as shown on page 7 of Attachment I, for conference, travel, and training expenditures.
 - \$47,018 in MOH Salaries and Overhead, as shown on page 8 of Attachment I, including:
 - (i) \$3,391 in salary and fringe benefit expenditures, resulting from disapproval of the proposed upward classification of the 9774 Senior Community Development Specialist I position to the 9775 Senior Community Development Specialist II position;
 - (ii) \$21,684 in salary and fringe benefit expenditures, resulting from reduction of the proposed new 9774 Senior Community Development Specialist I position, from 1.0 FTE to 0.75 FTE, resulting in a hire date of October 1, 2005;
 - (iii) \$10,950 reduction in membership, postage, printing and office supplies expenditures, resulting in \$10,950 in savings;
 - (iv) \$10,993 to adjust the revised budget, as noted in Comment 1.

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5. The Budget Analyst recommends reserving \$150,000 in MOH Salaries and Overhead, pending budget details for information systems application development (see Administration Section).
6. The Budget Analyst considers approval of two 0904 Mayoral Staff XVI positions, which were filled in FY 2004-2005 without prior approval of the Board of Supervisors and which have combined salary and benefit costs of \$293,521, to be a policy matter for the Board of Supervisors.
7. The Budget Analyst considers approval of \$10,690,342 (see page 9 of Attachment I) for new programs or increased funding for existing programs, which includes the proposed two Mayoral Staff XVI positions with combined salaries and fringe benefit costs of \$293,521, as noted in Comment 6 above, to be a policy matter for the Board of Supervisors.

Recommendations:

1. Amend the proposed resolution, page 1, line 7, to delete "which include indirect costs of \$120,000". As noted above, the CDBG entitlement does not include such indirect costs.
2. Reduce and reserve \$66,017*, as noted in Comment 4.
2. Reserve \$150,000 in MOH Salaries and Overhead, as noted in Comment 5.
3. Approval of \$10,690,342* (see page 9 of Attachment I) in CDBG funds for new programs or increased funding for existing programs, is a policy matter for the Board of Supervisors, as noted in Comment 7 above.
4. Approve \$20,579,947* (see page 9 of Attachment I) in CDBG funds for ongoing programs.

* \$66,017 plus \$10,690,342 plus \$20,579,947 for total CDBG entitlement and Program Income of \$31,336,306 (see page 9 of Attachment I).

Agency	FY 2004-2005 CDBG Budget	FY 2005- 2006 Proposed CDBG Budget	Increase (Decrease)	Reductions and Reserves	Budget Analyst's Proposed Other	Budget Analyst's Proposed Other	Amount to be Funded	Policy Matter
		CDBG Budget	CDBG Budget	CDBG Budget	CDBG Budget	CDBG Budget	CDBG Budget	CDBG Budget
Housing Program Administration								
Asian Neighborhood Design	269,000	269,000	-	-	269,000	269,000	-	-
ASIAN, Inc.	211,180	155,889	(55,291)	-	155,889	155,889	-	-
Emael Leighs Neighborhood Center	248,800	180,000	(68,800)	-	180,000	180,000	-	-
Chinatown Community Development Center	38,176	420,535	38,774	-	381,761	38,774	-	-
GI/TODCO, Inc.	210,000	100,000	(110,000)	-	100,000	100,000	-	-
Tenderlon Neighborhood Development Corporation	288,000	288,000	-	-	288,000	288,000	-	-
Housing Program Administration (Loan Fees)	706,000	706,000	-	-	706,000	706,000	-	-
Community Design Center	155,437	(155,437)	-	-	-	-	-	-
Community Housing Partnership	96,085	(96,085)	-	-	-	-	-	-
Housing Conservation & Development Corporation	270,821	(270,821)	-	-	-	-	-	-
Mission Economic Development Association	25,000	(25,000)	-	-	-	-	-	-
Mission Housing Development Corporation	360,000	(360,000)	-	-	-	-	-	-
Housing Program Administration	2,516,084	2,119,424	(396,660)	-	-	-	1,374,650	744,774
Housing Program Grants								
AIDS Housing Alliance	25,000	25,000	-	-	25,000	25,000	-	-
AIDS Legal Referral Panel of the SF Bay Area	38,690	38,690	-	-	38,690	38,690	-	-
Bayview Hunters Point Multipurpose Senior Services	60,000	60,000	-	-	60,000	60,000	-	-
Community Housing Partnership	115,000	115,000	-	-	115,000	115,000	-	-
Episcopal Community Services of SF	70,000	70,000	-	-	70,000	70,000	-	-
Eviction Defense Collaborative, Inc.	25,000	25,000	-	-	25,000	25,000	-	-
Independent Living Resource Center of SF	60,000	60,000	-	-	60,000	60,000	-	-
Legal Assistance to the Elderly	30,000	30,000	-	-	30,000	30,000	-	-
Manilatown Heritage Foundation	20,000	20,000	-	-	20,000	20,000	-	-
Mission Economic Development Association	110,000	110,000	-	-	110,000	110,000	-	-
San Francisco Bay Area Housing and Development Co.	25,000	25,000	-	-	25,000	25,000	-	-
San Francisco Housing Development Corporation	50,000	50,000	-	-	50,000	50,000	-	-
Self-Help for the Elderly	50,500	50,500	-	-	50,500	50,500	-	-
Tenderloin Housing Clinic, Inc.	50,000	50,000	-	-	50,000	50,000	-	-
Tides Center/Housing Rights Committee of San Francisco	57,000	57,000	-	-	57,000	57,000	-	-
Tides Center/St. Peter's	32,000	32,000	-	-	32,000	32,000	-	-
Housing Program Grants	-	818,190	818,190	-	-	-	818,190	-
Housing Development Pool								
Public Space Improvements	5,241,907	5,241,907	-	-	-	-	5,241,907	-
San Francisco Conservation Corps	1,400,000	1,312,000	(88,000)	-	1,312,000	1,312,000	-	-
Friends of the Urban Forest	60,000	60,000	-	-	60,000	60,000	-	-
Visitation Valley Comm. Ctr., Inc.	40,000	40,000	-	-	40,000	40,000	-	-
Public Facilities Improvement	1,400,000	1,412,000	12,000	-	1,312,000	100,000	-	-
Public Improvement Contingency	239,696	253,449	13,753	-	239,696	13,753	-	-

Capital Projects	Agency	FY 2005-2006		FY 2004-2005		Budget Analyst's		Budget Analyst's	
		Proposed CDBG Budget	Budget	Proposed CDBG Budget	(Decrease)	Proposed Reductions	Proposed and Reserves	Amount to be Funded	Policy Matter
African American Art & Cultural Complex		40,000	40,000	40,000				40,000	
Bayview Community Collaborative		23,000	23,000	23,000				23,000	
Boys & Girls Clubs of San Francisco		100,000	100,000	100,000				100,000	
Department of Public Health-Potrero Hill		583,000	583,000	583,000				583,000	
Donaldina Cameron House		70,000	70,000	70,000				70,000	
Ella Hill Hutch Community Center		100,000	36,800	100,000				36,800	
Florence Crittenton Services		100,000	100,000	100,000				100,000	
Holy Family Day Home		33,500	33,500	33,500				33,500	
Lutheran Church of Our Savior		59,900	59,900	59,900				59,900	
Mission Language and Vocational School, Inc.		135,000	135,000	135,000				135,000	
On Lok Day Services		100,000	100,000	100,000				100,000	
Portola Family Connections		35,000	35,000	35,000				35,000	
Recreation and Parks Department		200,000	200,000	200,000				200,000	
Recreation Center for the Handicapped		87,000	87,000	87,000				87,000	
Sage Project		15,000	15,000	15,000				15,000	
San Francisco Housing Development Corporation		150,000	150,000	150,000				150,000	
San Francisco Housing Development Corporation		100,000	100,000	100,000				100,000	
Telegraph Hill Neighborhood Association		82,000	82,000	82,000				82,000	
The Arc Of San Francisco		175,000	175,000	175,000				175,000	
Visitation Valley Comm. Ctr., Inc.		163,000	163,000	163,000				163,000	
Visitation Valley Community Development Corporation		400,000	400,000	400,000				400,000	
Wu Yee Children's Services		40,000	40,000	40,000				40,000	
Wu Yee Children's Services		15,000	15,000	15,000				15,000	
Bernal Heights Neighborhood Center		500,000	(500,000)	(500,000)					
Henry Ohlhoff House		120,000	(120,000)	(120,000)					
Asian Prenatal Advocates		50,000	(50,000)	(50,000)					
Bay Area Video Coalition		75,000	(75,000)	(75,000)					
Boys & Girls Club of SF (Mission)		65,400	(65,400)	(65,400)					
Centro City Hospitality House		30,500	(30,500)	(30,500)					
Department of Public Health-Curry		360,000	(360,000)	(360,000)					
Department of Public Health-Castro		249,000	(249,000)	(249,000)					
Family Service Agency		226,000	(226,000)	(226,000)					
Filipino-American Development Foundation		175,000	(175,000)	(175,000)					
Gilde Community Development		100,000	(100,000)	(100,000)					
Height Ashbury Free Clinics		76,000	(76,000)	(76,000)					
Height Ashbury Free Clinics		27,000	(27,000)	(27,000)					
Lutheran Church of Our Savior		34,000	(34,000)	(34,000)					
Mission Neighborhood Centers		18,000	(18,000)	(18,000)					
Nihonmachi Little Friends		67,000	(67,000)	(67,000)					
On Lok		84,000	(84,000)	(84,000)					
Providence Foundation		41,600	(41,600)	(41,600)					

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Capital Projects (continued)	Agency	FY 2004-2005		FY 2005-2006		Budget Analyst's				
		CDBG Budget	Budget	Proposed CDBG	Proposed	Increase Reductions	Proposed	Amount to be Reserved	Funded	Policy Matter
Capital Projects	Recreation Center for the Handicapped	70,000	(70,000)	26,000	(26,000)	112,000	(112,000)			
	Richmond District Neighborhood Center Sage Project			665,000	(665,000)	244,000	(244,000)			
	SF Housing Authority			90,000	(90,000)	54,000	(54,000)			
	SF Housing Authority			115,000	(115,000)	67,600	(67,600)			
	Telegraph Hill Neighborhood Center			YMCAs of SF						
	Vistaion Valley Community Center			YMCAs of SF (Richmond)						
Capital Projects	Capital Projects	3,805,300	2,806,400			(998,900)		0	0	
								63,200	2,743,200	
Capital Projects Contingency Fund	2004-05 Capital Contingency	500,000	555,844			55,844				555,844
	GF Offset: Dept Parks and Rec	291,650				(291,650)				
	GF Offset: Dept of Public Health x2	840,350				(840,350)				
	Northern California Community Loan Fund	500,000				(500,000)				
	Capital Funds placed on Reserve	1,765,154				(1,765,154)				
Capital Projects Contingency Fund	Capital Projects Contingency Fund	3,897,154	555,844			(3,341,310)		-		555,844
										-
Public Services	African Immigrant and Refugee Resource Center AIDS Legal Referral Panel	67,000	67,000							67,000
	Arab Cultural and Community Center	35,500	39,500							39,500
	Asian & Pacific Islander Wellness Center	50,000	49,000			(10,000)				49,000
	Asian Law Caucus	25,000				25,000				
	Asian Pacific American Community Center	55,500	55,500							55,500
	Asian Women's Shelter	60,000				60,000				60,000
	Bar Assoc. of SF Volunteer Legal Services	31,500	31,500							31,500
	Bay Area Legal Aid	30,000	90,000			60,000				30,000
	Bay Area Video Coalition	42,000	42,000							42,000
	Booker f Washington Community Service Center	100,000	60,000			(40,000)				60,000
	Boys & Girls Clubs of San Francisco	61,000	61,000							61,000
	Braaval for Women in the Arts	24,350				24,350				
	Career Resources Development Center	47,000	47,000							47,000
	Catholic Charities CYO/Mission Day Care	90,000	80,000			(10,000)				80,000
	Central American Resource Center (CARECEN)	61,500	61,500							61,500
	Central City Hospitality House	40,000	40,000							40,000
	Charity Cultural Services Center	31,650	31,650							31,650
	Chinese for Affirmative Action	100,000	100,000							100,000
	Chinese Newcomers Service Center	96,000	96,000							96,000
	Community Alliance for Special Education (CASE)	25,000	25,000							25,000
	Community Center Pj of S.F	25,000								
	Community United Against Violence	27,000								
	Community Youth Center-San Francisco (CYC-SF)	73,000								

Agency	FY 2004-2005 CDBG Budget	FY 2005- 2006		Budget Analyst's Proposed Other		Amount to be Funded	Policy Matter
		Proposed CDBG Budget	Increase (Decrease) (Decrease)	Proposed Reductions and Reserves	Reserves		
Public Services (continued)							
Compass Community Services	37,000	37,000				37,000	
Donaldina Cameron House	35,000	35,000				35,000	
Earned Asset Resource Network (EARN)	50,000	50,000				50,000	
Ella Hill Hutch Community Center	125,000	125,000				125,000	
Episcopal Community Services of SF	30,000	30,000				30,000	
Family School (The)	50,000	50,000				50,000	
Filipino-American Council of SF	40,000	(10,000)				40,000	
Filipino-American Development Foundation: Filipino Community Center	25,000	25,000				25,000	
Filipino-American Development Foundation: Girls After School Academy	25,000	25,000				25,000	
Glide Foundation	40,000	40,000				40,000	
Ginn Moon Residence Hall	30,000	(26,000)				30,000	
Haight Ashbury Food Program	15,000	15,000				15,000	
Hearing Society for the Bay Area, Inc.	25,000	25,000				25,000	
Homeless Children's Network	45,000	45,000				45,000	
Hunter's Point Boys and Girls Club	40,000	40,000				40,000	
Hunter's Point Community Youth Park Foundation	20,000	20,000				20,000	
Ingleside Community Center	105,000	(20,000)				105,000	
Inner City Youth	63,450	(7,950)				63,450	
Instituto Laboral de la Raza	50,000	50,000				50,000	
Iris Center	68,000	68,000				68,000	
Jewish Vocational and Career Counseling Service	60,000	60,000				60,000	
John W. King Senior Center	100,000	(25,000)				100,000	
Juna Ventures	20,610	20,610				20,610	
La Casa de las Madres	52,000	52,000				52,000	
La Raza Centro Legal	125,000	125,000				125,000	
La Raza Centro Legal/C.I.E.R. Project	25,000	25,000				25,000	
Larkin Street Youth Services	61,000	61,000				61,000	
Lavender Youth Rec & Info Ctr (YRIC)	66,000	(4,000)				66,000	
Lyon-Martin Women's Health Services	77,500	77,500				77,500	
Mission Education Projects, Inc.	50,000	50,000				50,000	
Mission Irring Hall, Inc.	119,000	119,000				119,000	
Mission Language and Vocational School, Inc.	125,000	125,000				125,000	
Mission Learning Center	75,000	(31,500)				75,000	
Mission Neighborhood Centers	50,000	50,000				50,000	
Mission Neighborhood Centers	40,000	40,000				40,000	
Network for Elders	43,000	43,000				43,000	
New Leaf Services for our Community	55,000	55,000				55,000	
Nihonmachi Legal Outreach	93,000	93,000				93,000	
Northern California Service League	68,000	68,000				68,000	
Open Community Ventures, Inc.	50,000	50,000				50,000	
Portola Family Connections	35,000	35,000				35,000	

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Agency	FY 2004-2005 CDBG Budget	FY 2005- 2006 Proposed CDBG Budget	Increase (Decrease)	Budget Analyst's Proposed Reductions and Reserves	Budget Analyst's Other Proposed Reserves	Amount to be Funded	Policy Matter
Public Services (continued)							
Positive Resource Center	30,000	30,000	0	30,000	30,000	30,000	25,000
Potrero Hill Neighborhood House Rebuilding Together San Francisco	25,000	25,000	0	25,000	40,000	40,000	40,000
Renaissance Parents of Success	125,000	100,000	(25,000)	100,000	60,000	60,000	60,000
Samoaan Community Development Center	60,000	60,000	0	60,000	32,500	32,500	32,500
San Francisco Child Abuse Prevention Center - Talk Self-Help for the Elderly	32,500	32,500	0	32,500	30,000	30,000	-
Sayoumee Truth Foster Family Service Agency, Inc.	30,000	30,000	0	30,000	21,500	21,500	21,500
Southwest Community Corporation	21,500	21,500	0	21,500	-	-	-
St. John's Educational Thresholds Center	50,000	50,000	0	50,000	25,500	25,500	25,500
St. Vincent de Paul Society of San Francisco	25,500	25,500	0	25,500	45,000	45,000	45,000
Sunset District Comm. Develop. Corp.	45,000	45,000	0	45,000	55,000	55,000	55,000
Swords to Plowshares Veterans Rights Organization	55,000	55,000	0	55,000	40,000	40,000	40,000
Tides Center/Youth Leadership Toolworks	40,000	40,000	0	40,000	30,000	30,000	30,000
Together United Recommitted Forever (T.U.R.f.)	30,000	30,000	0	30,000	50,000	50,000	50,000
Urban University	47,000	47,000	0	47,000	50,000	50,000	50,000
URSA Institute	47,000	47,000	0	47,000	50,000	50,000	50,000
Vietnamese Community Center of SF	25,000	25,000	0	25,000	25,000	25,000	25,000
Vietnamese Elderly Mutual Assistance Association	50,000	50,000	0	50,000	35,000	35,000	35,000
Visitation Valley JET	35,000	35,000	0	35,000	(10,000)	(10,000)	(10,000)
West Bay Filipino Multi-Service Corp.	90,000	90,000	0	90,000	95,000	95,000	95,000
West Portal Center for After-School Rec. & Education	95,000	95,000	0	95,000	27,600	27,600	27,600
Women's Foundation, Mujeres Unidos Y Activas	27,600	27,600	0	27,600	50,000	50,000	50,000
Young Community Developers	50,000	50,000	0	50,000	85,000	85,000	85,000
Acon Institute	100,000	100,000	0	100,000	(15,000)	(15,000)	(15,000)
Ark of Refuge	85,000	85,000	0	85,000	(50,000)	(50,000)	(50,000)
Brothers Against Guns	70,000	70,000	0	70,000	(70,000)	(70,000)	(70,000)
Charity Cultural Services Center	40,000	40,000	0	40,000	(40,000)	(40,000)	(40,000)
Chinatown Community Development Center	25,000	25,000	0	25,000	(25,000)	(25,000)	(25,000)
HAPPY (Haight Ashbury Play Program for Youth)	50,000	50,000	0	50,000	(35,000)	(35,000)	(35,000)
Independent Living Resource Center of SF	60,000	60,000	0	60,000	(60,000)	(60,000)	(60,000)
Legal Assistance to the Elderly	30,000	30,000	0	30,000	(30,000)	(30,000)	(30,000)
Self-Help for the Elderly	50,500	50,500	0	50,500	(50,500)	(50,500)	(50,500)
SF Child Abuse Prevention Center	32,500	32,500	0	32,500	(32,500)	(32,500)	(32,500)
Tenderloin Housing Clinic, Inc.	87,500	87,500	0	87,500	(87,500)	(87,500)	(87,500)
Tides Center/St. Peter's Housing Committee	32,000	32,000	0	32,000	(32,000)	(32,000)	(32,000)
Tides Center/The Housing Rights Committee	57,000	57,000	0	57,000	(57,000)	(57,000)	(57,000)
Public Services	4,826,150	4,849,660	23,510	4,849,660	23,510	23,510	23,510
Economic Development & Microenterprise Assistance	38,000	38,000	0	38,000	55,000	55,000	55,000
Arriba Juntos	55,000	55,000	0	55,000	55,000	55,000	55,000
Asian, Inc.							

Economic Development & Microenterprise Assistance (continued)		FY 2004-2005 CDBG Budget	FY 2005-2006 Proposed CDBG Budget	Budget Increase (Decrease)	Budget Reductions and Reserves	Amount to be Proposed	Amount to be Reserves	Budget Analyst's Other	Budget Analyst's Other
Agency	Agency	CDBG Budget	CDBG Budget	(Decrease)	and Reserves	Funded	Funded	Analyst's Other	Analyst's Other
Bernal Heights Neighborhood Center	Bernal Heights Neighborhood Center	25,000	25,000					25,000	25,000
CCSF Small Business Development Center	Children's Council of SF	100,000	100,000					100,000	100,000
Community Center Proj of SF	Community Center Proj of SF	75,000	75,000					75,000	75,000
Community Vocational Enterprises	Community Vocational Enterprises	51,875	51,875					51,875	51,875
Jewish Family & Children's Services	Jewish Family & Children's Services	67,744	67,744					67,744	67,744
Junia Ventures	Junia Ventures	55,000	55,000					55,000	55,000
Mission Economic Development Association	Mission Economic Development Association	250,000	250,000					250,000	250,000
Mission Economic Development Association	Mayor's Office of Economic Development	100,000	100,000					100,000	100,000
Mayor's Office of Economic Development	Northeast Community Federal Credit Union	70,000	70,000					70,000	70,000
Northeast Community Federal Credit Union	Northeast Community Federal Credit Union	120,000	120,000					120,000	120,000
Northeast Community Federal Credit Union	Northeast Community Federal Credit Union	75,000	75,000					75,000	75,000
Northeast Community Federal Credit Union	Positive Resource Center	35,000	35,000					35,000	35,000
Positive Resource Center	Renaissance Entrepreneurship Center	65,000	65,000					65,000	65,000
Renaissance Entrepreneurship Center	Renaissance Entrepreneurship Center	228,500	228,500					228,500	228,500
South of Market Foundation	South of Market Foundation	200,000	200,000					200,000	200,000
Southeast Asian Community Center	Southeast Asian Community Center	100,000	100,000					100,000	100,000
Women's Foundation of California	Women's Foundation of California	120,000	120,000					120,000	120,000
Women's Initiative for Self Employment	Women's Initiative for Self Employment	106,500	106,500					106,500	106,500
Wu Yee Children's Services	Wu Yee Children's Services	35,000	35,000					35,000	35,000
City College of SF San Bus Dptmt Ctr	City College of SF San Bus Dptmt Ctr	100,000	100,000					100,000	100,000
Community Vocational Enterprises	Community Vocational Enterprises	41,500	41,500					41,500	41,500
Junia Ventures	Junia Ventures	55,000	55,000					55,000	55,000
Mission Economic Development Association	Mission Economic Development Association	267,900	267,900					267,900	267,900
Mission Economic Development Association	Private Industry Council of San Francisco, Inc.	125,000	125,000					125,000	125,000
Private Industry Council of San Francisco, Inc.	Renaissance Entrepreneurship Center	92,500	92,500					92,500	92,500
Renaissance Entrepreneurship Center	Northeast Community Federal Credit Union	120,000	120,000					120,000	120,000
Northeast Community Federal Credit Union	Northeast Community Federal Credit Union	75,000	75,000					75,000	75,000
Northeast Community Federal Credit Union	Positive Resource Center	85,000	85,000					85,000	85,000
Positive Resource Center	Private Industry Council of San Francisco, Inc.	70,000	70,000					70,000	70,000
Private Industry Council of San Francisco, Inc.	Renaissance Entrepreneurship Center	228,500	228,500					228,500	228,500
Renaissance Entrepreneurship Center	Southeast Asian Community Center	208,000	208,000					208,000	208,000
Southeast Asian Community Center	Southeast Asian Community Center	120,000	120,000					120,000	120,000
Southeast Asian Community Center	Women's Initiative for Self Employment	106,500	106,500					106,500	106,500
Women's Initiative for Self Employment	Wu Yee Children's Services	100,000	100,000					100,000	100,000
Wu Yee Children's Services	Economic Development & Microenterprise Assistance	84,000	84,000					84,000	84,000
Economic Development & Microenterprise Assistance	Economic Development & Microenterprise Assistance	2,021,000	2,186,619					165,619	168,000
African American Art & Cultural Complex	African American Art & Cultural Complex	15,000	15,000					15,000	15,000
African Immigrant and Refugee Resource Center	African Immigrant and Refugee Resource Center	10,000	10,000					10,000	10,000

Agency	FY 2004-2005 CDBG Budget	FY 2005- 2006 Proposed CDBG Budget	Increase (Decrease)	Budget Analyst's Proposed Reductions and Reserves	Budget Analyst's Other Proposed Reserves	Amount to be Funded	Policy Matter
Planning & Capacity Building (continued)							
Bayview Hunters Point Multipurpose Senior Services	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bindlestiff Studio	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Catholic Charities CYO	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Chinese for Affirmative Action	15,000	15,000	10,000	10,000	10,000	10,000	10,000
Chinese Newcomer Service Center	10,000	7,000	7,000	7,000	7,000	7,000	7,000
Community Housing Partnership	43,950	43,950	10,000	10,000	10,000	10,000	10,000
Compasspoint Nonprofit Services	10,000	20,000	20,000	20,000	20,000	20,000	20,000
Donaldina Cameron House	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Filipino-American Development Foundation	20,000	20,000	15,000	15,000	15,000	15,000	15,000
Filipino Community Center	15,000	20,000	20,000	20,000	20,000	20,000	20,000
Haight Ashbury Food Program	20,000	10,000	10,000	10,000	10,000	10,000	10,000
Hearing Society for the Bay Area, Inc.	10,000	15,000	15,000	15,000	15,000	15,000	15,000
Mission Language and Vocational School, Inc.	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mission Neighborhood Centres	113,152	126,192	13,040	13,040	113,152	13,040	13,040
MOCD Consolidated Planning	100,000	7,999	(92,001)	7,999	-	7,999	-
MOI Planning & Capacity Building	20,000	40,000	20,000	40,000	40,000	40,000	40,000
Network for Elders	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Northern California Community Loan Fund	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Portola Family Connections	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Providence Foundation	15,000	15,000	15,000	15,000	15,000	15,000	15,000
San Francisco Housing Development Corporation	15,000	15,000	15,000	15,000	15,000	15,000	15,000
San Francisco Parents Who Care	15,000	20,000	20,000	20,000	20,000	20,000	20,000
Sunset District Comm. Develop. Corp.	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Telegraph Hill Neighborhood Association	20,000	15,000	15,000	15,000	15,000	15,000	15,000
Tides Center	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Vietnamese Elderly Mutual Assistance Association	15,000	10,000	10,000	10,000	10,000	10,000	10,000
Visitation Valley Community Development Corporation	29,600	29,600	29,600	29,600	29,600	29,600	29,600
Volunteer Center of SF	198,534	(198,534)	(43,950)	(43,950)	(40,000)	(40,000)	(40,000)
Compasspoint Nonprofit Services	43,950	40,000	30,000	30,000	(30,000)	(30,000)	(30,000)
Northern California Community Loan Fund	40,000	29,600	29,600	29,600	(29,600)	(29,600)	(29,600)
Southwest Community Corporation	30,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Volunteer Center of SF	29,600	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Central American Resource Center (CARECEN)	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
FADE/Filipino Community of SF	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Filipino-American Development Foundation	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Geneva Valley Development Corporation	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Haight Ashbury Food Program	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Haight Ashbury Food Program	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Network for Elders	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Portola Family Connections	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)
Sunset District Community Development Center	15,000	15,000	15,000	15,000	(15,000)	(15,000)	(15,000)

Agency	FY 2004-2005 CDBG Budget	FY 2005- 2006 Proposed CDBG Budget	Increase (Decrease) and Reserves	Budget Analyst's Proposed Reductions and Reserves	Amount to be Funded	Budget Analyst's Other Proposed Reserves	Policy Matter
Planning & Capacity Building (continued)							
Telegraph Hill Neighborhood Center	15,000			(15,000)	-		
Vietnamese Elderly Mutual Assistance Association	15,000			(15,000)	-		
Chinese for Affirmative Action	10,000			(10,000)	-		
Chinese Newcomers Service Center	10,000			(10,000)	-		
Donaldina Cameron House	10,000			(10,000)	-		
Asian Women's Shelter	8,000			(8,000)	-		
Asian Pacific American Community Center	7,500			(7,500)	-		
Planning & Capacity Building	780,733	614,741	(165,992)	7,999	-	128,152	478,590
Administration							
MOCD - Salaries & Overhead	2,431,373	3,130,282	698,909	11,000	2,420,373	698,909	
MOCD - Dept Telecom Into Systems		85,500	85,500				85,500
MOCD - ED Tax Credits	51,408	79,319	27,911		51,408	27,911	
MOCD - Homeless Board	70,145	78,684	8,539		70,145	8,539	
MOCD - Enterprise/Community Revival	50,451	64,144	13,693		50,451	13,693	
MOCD - Environmental Review	15,000				15,000		
MOCD - Relocation Board	12,143	14,681	2,538		12,143	2,538	
MOCD - Controller's Office	60,000	60,000			60,000		
MOCD - Planning Dept	7,500	7,500			7,500		
MOCD - City Atty	25,000	25,000			25,000		
MOH - Salaries & Overhead	1,078,578	1,411,020	332,442	47,018	150,000	1,031,560	332,442
MOH - Controller's Office	60,000	60,000			60,000		
MOH - City Atty	25,000	25,000			25,000		
MOH - Planning Dept	7,500	7,500			7,500		
MOH - Environmental Review	5,000	5,000			5,000		
MOH - Dept Telecom Into Systems		4,750	4,750				4,750
MOH - Disability Council	10,000			(10,000)	-		
MOH - Lead	38,044			(38,044)	-		
MOCD - SF Human Rights Commission	136,976			(136,976)	-		
MOH - SF Human Rights Commission	136,975			(136,975)	-		
Administration	4,221,093	5,073,380	852,287	\$8,018	150,000	3,841,080	1,174,282
Program Income Funded Activities							
MOCD 108 Childcare Repayment	1,002,318	1,002,318		(1,086,330)	-	1,002,318	
MOCD 108 Con Devlpmt Loan Repayment	1,086,330						
MOCD Microenterprise Loan Program	250,000	250,000				250,000	
MOCD Small Business Loan Program	750,000	1,750,000	1,000,000			750,000	1,000,000
MOH CTRP Revolving Loan Program	1,500,000	2,222,374	722,374			1,500,000	722,374
SFRA Central Relocation Services	192,000	180,000	(12,000)			180,000	
Program Income Funded Activities	4,780,648	5,404,692	624,044	-	-	3,682,318	1,722,374

CDBG, ESG, HOME
2005-06 Consolidated Plan
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Agency	CDBG EXPENDITURE SUMMARY	FY 2004-2005 CDBG Budget	CDBG Budget	Increase (Decrease)	Reductions and Reserves	Budget	Budget
						Analyst's Proposed	Analyst's Other
Housing Program Administration	2,516,084	2,119,424	(396,660)	-	-	1,374,650	744,774
Housing Program Grants	-	818,190	818,190	-	-	-	818,190
Housing Development Pool	5,241,907	5,241,907	-	-	-	5,241,907	-
Public Space Improvement	1,400,000	1,412,000	12,000	-	-	1,312,000	100,000
Public Space Improvement Contingency	239,696	253,449	13,753	-	-	239,696	13,753
Capital Investment	3,805,300	2,806,400	(998,900)	-	-	63,200	2,743,200
Capital Investment Contingency	3,897,154	555,344	(3,341,310)	-	-	555,844	-
Public Services Program	4,826,150	4,849,660	23,510	-	-	3,973,100	876,560
Economic Development and Microenterprise Assistance	2,021,000	2,188,619	165,619	-	-	168,000	2,018,619
Planning and Capacity Building	780,733	614,741	(165,992)	7,999	-	128,152	478,590
Program Administration	4,221,493	5,073,380	852,287	58,018	150,000	3,841,080	1,174,282
Program Income Funded Activities	4,780,648	5,404,692	624,044	-	-	3,682,318	1,722,374
TOTAL CDBG + Program Income Expenditures	33,729,765	31,336,306	(2,393,459)	66,017	150,000	20,579,947	10,690,342

Total Recommended Reductions Recommended for Reserve

Total Recommended Other Reserves

Total Recommended Reserves

Total Ongoing CDBG Programs Recommended for Approval

Total Recommended Reductions and Reprogrammed

Total New and Increased CDBG Programs

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Capital Projects		
<i>This program is for non-housing Capital construction.</i>		
1. African American Art & Cultural Complex 762 Fulton St 94102	Upgrade electrical system supplying a recording studio, film production, sound equipment and computer lab within a community center serving youth.	\$40,000
2. Bayview Community Collaborative 1201 Mendell St 94124	Renovate roof of community facility offering program and meeting space to other nonprofit agencies.	\$23,000
3. Boys & Girls Clubs of San Francisco 1950 Page St 94117	Replace the gymnasium floor at boys & girls club.	\$100,000
4. Department of Public Health 1050 Wisconsin St 94107	Install new elevator, new examination and counseling rooms at the Potrero Hill Health Center.	\$583,000
5. Donaldina Cameron House 920 Sacramento St 94108	Replace exterior lighting and install electrical door latch and monitoring system in multipurpose facility.	\$70,000
6. Ella Hill Hutch Community Center 1050 McAllister St 94115	Renovate bathrooms, doors, flooring, water fountains, exterior walkways and roof of multipurpose facility serving youth and adults.	\$100,000
7. Florence Crittenton Services 1025 Laguna St 94115	Renovate children and adult bathrooms, install new flooring, modify door openings, and replace stairs and ramp at existing childcare facility.	\$100,000
8. Holy Family Day Home 299 Dolores St 94103	Replace heating system, bathroom fixtures, doors, and build new ramp to childcare center.	\$33,500
9. Lutheran Church of Our Savior 1011 Garfield St 94132	Provide access from classroom to yard, replace flooring and windows, and installing play sink in childcare center.	\$59,900
10. Mission Language and Vocational School, Inc. 2929 19th St 94110	Install new elevator, renovate existing elevator, renovate restrooms, and upgrade computer lab in vocational facility.	\$135,000
11. On Lok Day Services 225 30th St 94131	Renovate restrooms, replace drinking fountain, and replace exhaust fans at senior citizen community center.	\$100,000
12. Portola Family Connections 2565 San Bruno Av 94134	Replace flooring, lighting, and install cabinetry in childcare center.	\$35,000
13. Recreation and Parks Department 151 Montana St 94112	Assist construction of 1,000 sq.ft. tecn center, as part of \$15M reconstruction of the Ocean View Recreation Center	\$200,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
14. Recreation Center for the Handicapped 207 Skyline Bl 94132	Replace roof and gutters at recreation center for disabled individuals.	\$87,000
15. Sage Project 1275 Mission St 94103	Construct additional confidential counseling office space at facility that provides sexual trauma counseling & drug prevention and treatment to women and girls.	\$15,000
16. San Francisco Housing Authority 249 West Point Rd 94124	Expand the size of the existing computer faculty into a multipurpose community center.	\$150,000
17. San Francisco Housing Development Corporation 4439 3rd St 94124	Build out tenant improvements for housing counseling program within shell space of housing development.	\$100,000
18. Telegraph Hill Neighborhood Association 660 Lombard St 94133	Renovate ramps and reconstructing elevated walkway and stair to multi-purpose center	\$82,000
19. The Arc Of San Francisco 1500 Howard St 94103	Replace roof of facility that provides services to adults with developmental disabilities.	\$175,000
20. Visitacion Valley Comm. Ctr., Inc. 66 Raymond Av 94134	Replace exterior ramp, renovate bathrooms, and upgrade electrical system to senior center.	\$163,000
21. Visitacion Valley Community Development Corporation 1099 Sunnydale St Ground F 94134	Construct additional program space in new Village Community Center to house additional CBOs serving Visitacion Valley.	\$400,000
22. Wu Yee Children's Services 700 Velasco St 94134	Upgrade electrical and replace counter in prefabricated structure that houses program for 60 Early Head Start children.	\$15,000
23. Wu Yee Children's Services 831 Broadway St 94133	Install HVAC in a facility that provides an Early Head Start program for 28 infants and toddlers.	\$40,000

Subtotal: \$2,806,400

Capital Program Funds

1. Capital Program Contingency Fund	Resources for unforeseen problems on existing projects	\$555,844
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Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Economic Development and Microenterprise Assistance		
<i>CDBG Economic Development. Funding for activities that support job creation activities leading to employment of low income persons.</i>		
1. Arriba Juntos 1850 Mission St 94103	Provides job training in the home health care field and provides direct hiring mainly with the Home Supportive Services Public Authority.	\$38,000
2. Asian, Inc. 1670 Pine St 94109	To provide opportunities for business development for LMI persons in the Western and lower Southeast portions of the City.	\$55,000
3. Bernal Heights Neighborhood Center 4651 Mission St 94112	The ENCoRe project will organize and connect small businesses along the Excelsior's commercial corridor with key services to stabilize, expand, and retain family-owned, minority businesses and recruit new businesses to fill vacancies.	\$25,000
4. CCSF Small Business Development Center 455 Market St 6th Flr 94105	The SBDC proposes to deliver expanded business technical assistance services to the Southeast sector of San Francisco and to continue an expanded citywide effort to support new and existing restaurants.	\$100,000
5. Children's Council of SF 445 Church St 94114	Supports the start-up, retention, and growth of family child care microenterprises through the provision of training and technical assistance.	\$30,000
6. Community Center Pjt of S.F 1800 Market St 94102	Providing technical assistance to new and existing LGBT businesses to support job creation and income expansion opportunities.	\$75,000
7. Community Vocational Enterprises 1425 Folsom St 94103	IME, the janitorial company of CVE, offers job training, placement, and support services to individuals with mental health disabilities and other underserved populations.	\$51,875
8. Jewish Family & Children's Services 900 Marin St 94124	JFCS will create a new home and office cleaning business at 900 Marin Street in the Bayview District, co-located with their existing Utility Workshop hand-assembly business in 32,000 square feet of space.	\$67,744
9. Juma Ventures 24 Willie Mays Pl 94107	Provides youth with job training and employment in Juma Venture's social purpose enterprises.	\$55,000
10. Mayor's Office of Business & Economic Development 745 Franklin St 94102	The Enterprise Zone (EZ) Vouchering Project helps promote the State EZ hiring tax credit and other tax incentives available to San Francisco employers located in the EZ.	\$70,000
11. Mission Economic Development Association 3505 20th St 94110	Business Technical Assistance Program provides a continuum of services in English and Spanish to support the growth and success of small businesses in the Mission District.	\$250,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
12. Mission Economic Development Association 4651 Mission St 94112	Excelsior Economic Development Project provides a continuum of services in English and Spanish to support the growth and success of small businesses in the Excelsior and Outer Mission neighborhoods.	\$100,000
13. Northeast Community Federal Credit Union 288 Jones St 94102	Northeast Community Federal Credit Union operates a Tenderloin Branch and has the dual mission of meeting the unmet savings and borrowing needs of low/moderate income individuals in this neighborhood.	\$75,000
14. Northeast Community Federal Credit Union 683 Clay St 94111	Co-founder of apiBIS, NECFCU provides technical assistance in areas of: business analysis, loan packaging, marketing, licensing/permitting, accounting, affordable credit/financial sourcing and small business financial literacy education to LMI, underserved small business entrepreneurs in San Francisco focusing on the growing Chinese market.	\$120,000
15. Northeast Community Federal Credit Union 683 Clay St 94111	Northeast Community Federal Credit Union will establish new Vis Valley Branch that will have the dual mission of meeting the unmet savings and borrowing needs of low/moderate income individuals of Vis Valley and surrounding neighborhoods.	\$35,000
16. Positive Resource Center 785 Market St 10th Fl 94103	The Positive Enterprise Program provides training and technical assistance to help individuals who are living with HIV/AIDS create new microbusinesses.	\$65,000
17. Renaissance Entrepreneurship Center 3801 Third St 616 94124	The Bayview Business Resource Center provides small business training, individual consultations, access to financing and markets, and business support services to start up and expand small businesses in the Bayview Hunters Point and other San Francisco communities.	\$200,000
18. Renaissance Entrepreneurship Center 275 Fifth St 94103	5th Street Training Program provides comprehensive services to entrepreneurs including management training, financing assistance, and incubator services.	\$228,500
19. South of Market Foundation 1083 Mission St 2nd Floo 94103	Provide business consulting services to business owners and entrepreneurs in San Francisco, including preparing business plans, financial projections, loan packaging, mediating with lenders and providing advice on leasing, credit repair, business acquisitions and a range of other business concerns.	\$100,000
20. Southeast Asian Community Center 875 O'Farrell St 94109	apiBIS, a collaboration between SEACC and Northeast Federal Credit Union, provides business assistance services to Asian and Pacific Islander-owned small businesses in San Francisco.	\$120,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
21. Southeast Asian Community Center 875 O'Farrell St 94109	Microenterprise program will provide loan packaging and a range of technical assistance services to the Southeast Asian community in the Tenderloin and other low-income neighborhoods.	\$106,500
22. Women's Foundation of California 2948 Folsom St 94110	La Cocina is a shared use commercial kitchen and business incubator that operates under the fiscal sponsorship of the Women's Foundation of California.	\$35,000
23. Women's Initiative for Self Employment 1398 Valencia St 94110	Provides bi-lingual and monolingual microenterprise training, technical assistance, and financial services to low-income women.	\$100,000
24. Wu Yee Children's Services 706 Mission St 6th Flr 94103	Family Child Care Training will provide training and technical assistance to develop family childcare microenterprises.	\$84,000

Subtotal: \$2,186,619

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Planning and Capacity Building		
<i>This program provides funds for capacity building, studies and planning new projects.</i>		
1. African American Art & Cultural Complex 762 Fulton St 94102	Develop a strategic plan for increasing service delivery for target area pursuant to needs identified via Project Connect	\$15,000
2. African Immigrant and Refugee Resource Center 944 Market 710 94102	Strategic planning for the organization for the next three years using a self assessment process	\$10,000
3. Bayview Hunters Point Multipurpose Senior Services 1706 Yosemite Av 94124	Development of a business plan and economic impact study for an aging campus in the southeast sector; creation of a Board leadership handbook on soliciting funds	\$15,000
4. Bindlestiff Studio 505 Natoma St 94103	Development of a 3-year program plan that integrates new after-school youth services into the overall program planning for Bindlestiff's new theater and cultural center	\$15,000
5. Catholic Charities CYO 1122 Jamestown Av 94124	Development of a formalized collaboration between Catholic Charities CYO, Bayview Hunters Point YMCA, KIPP Bayview Academy and St. Paul of the Shipwreck to provide an after-school program for children ages 9-13 in BVHP	\$15,000
6. Chinese for Affirmative Action 17 Walter U. Lum St 94108	Chinese for Affirmative Action requests \$20,000 to support neighborhood and capacity building activities in the Chinatown neighborhood.	\$15,000
7. Chinese Newcomers Service Center 777 Stockton St 104 94108	Chinese Newcomers Service Center requests \$10,000 to support neighborhood and capacity building efforts in Chinatown.	\$10,000
8. Community Housing Partnership 1010 Market St 94102	Development of plan to increase financial management capacity so organization can double the number of units it owns and operates for the chronically homeless	\$7,000
9. Compasspoint Nonprofit Services 706 Mission St 5th Fl. 94103	Workshop training vouchers and a series of three forums on non-profit management topics for MOCD grantees	\$43,950
10. Donaldina Cameron House 920 Sacramento St 94108	The Donaldina Cameron House requests \$20,000 for neighborhood and capacity building activities in Chinatown.	\$10,000
11. Filipino-American Development Foundation 1010 Mission St n/a 94103	The Filipinino-American Development Foundation requests \$20,000 for community and capacity building activities in the South of Market neighborhood.	\$20,000
12. Filipino-American Development Foundation: Filipino Community Center 35 San Juan Av 94112	Develop a program design to prevent domestic violence in the Filipino community	\$15,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
13. Haight Ashbury Food Program 1525 Waller St 94117	The Haight Ashbury Food Program requests \$20,000 for community and capacity building in the Haight-Ashbury neighborhood.	\$20,000
14. Hearing Society for the Bay Area, Inc. 49 Powell St 400 94102	3-year strategic plan will include the identification and development of new programs to allow the Hearing Society to serve a larger client base that is more diverse in terms of age, ethnic background and geography, while providing services at a lower cost.	\$10,000
15. Mission Language and Vocational School, Inc. 2929 19th St 94110	Development of a business/marketing plan to help strengthen and expand a firm base for MLVS's Catering Services Division	\$15,000
16. Mission Neighborhood Centers 362 Capp St 94110	Mission Neighborhood Centers requests \$15,000 for community and capacity building focused on the Mission Neighborhood.	\$15,000
17. Network For Elders 1555 Burke Av A 94124	The Network for Elders requests \$20,000 for community and capacity building activities in the Bayview Hunters Point community.	\$20,000
18. Northern California Community Loan Fund 870 Market St 677 94102	Technical assistance for MOCD grantees on facility-related and finance-related needs	\$40,000
19. Portola Family Connections 2565 San Bruno Av 94134	Portola Family Connections requests \$15,000 for community and capacity building activities in the Portola neighborhood.	\$15,000
20. Providence Foundation 1218 Mendell St n/a 94124	Development of a strategic plan that will result in increased operational efficiency and improved accountability	\$15,000
21. San Francisco Housing Development Corporation N/A 3rd St 94124	Feasibility study for a neighborhood-serving grocery store along Third Street in Bayview Hunters Point	\$15,000
22. San Francisco Parents Who Care 1601 Lane Av n/a 94124	Parents Who Care San Francisco requests \$15,000 for strategic planning related to coordinating services with Infinity Gospel in Bayview Hunters Point.	\$15,000
23. Sunset District Comm. Develop. Corp. 3918 Judah St 92122	The Sunset District Community Development Corporation requests \$20,000 for community and capacity building activities focused on the Sunset neighborhood.	\$20,000
24. Telegraph Hill Neighborhood Association 660 Lombard St 94133	The Telegraph Hill Neighborhood Association requests \$20,000 for community and capacity building activities in the North Beach neighborhood.	\$20,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
25. Tides Center 1307 Evans St 94124-1705	Planning to integrate Infusion One, a youth development program, into Westside Community Mental Health Center's Community Services Division	\$15,000
26. Vietnamese Elderly Mutual Assistance Association 910 Larkin St 94109	Development of a plan for a collaborative of 6 service agencies to streamline services to all age groups within the Vietnamese community	\$15,000
27. Visitacion Valley Community Development Corporation 1099 Sunnydale Ave. Av 94134	Visitacion Valley Community Development Corporation requests \$15,000 for community and capacity building activities in Visitacion Valley.	\$10,000
28. Volunteer Center of SF 1675 California St 94109	Build the capacity of MOCD-funded agencies by recruiting and referring Board members and volunteers; and providing consultation to utilize and manage volunteer effectively	\$29,600
29. MOCD 25 Van Ness Ave	Consolidated Planning	\$126,192
30. MOH 25 Van Ness Ave	Planning and Capacity Building	\$7,999

Subtotal: **\$614,741**

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Public Services		
<i>This program provides funds for direct services to low and moderate income persons.</i>		
1. African Immigrant and Refugee Resource Center 944 Market 710 94102	Provide job development and placement to African and other immigrants and low-income residents.	\$67,000
2. AIDS Legal Referral Panel of the SF Bay Area 1663 Mission St 94103	Provide legal support, counseling, education and representation to people living with HIV and Aids entering/re-entering the work force.	\$39,500
3. Arab Cultural and Community Center 2 Plaza St 94116	Provide social services, referrals, job assistance, health and general case-management to low-income Arab immigrant families.	\$40,000
4. Asian & Pacific Islander Wellness Center 730 Polk St 94109	Provides job readiness/counseling and psychotherapy services to Asian Pacific Islander transgenders in the Tenderloin.	\$25,000
5. Asian Law Caucus 939 Market St 201 94103	Provide employment, labor, housing, immigration, public benefits, and naturalization legal services.	\$55,500
6. Asian Pacific American Community Center 2442 Bayshore Bl 94134	Provide information and referral services in collaboration with other service providers in the Visitacion Valley and Bayview Hunters Point districts for Asian immigrants.	\$60,000
7. Asian Women's Shelter 3543 18th, #19 St #19 94110	Provide intensive case management, counseling, collaboration and advocacy for battered women and their children.	\$31,500
8. Bar Assoc. of SF Volunteer Legal Services 465 California St 1100 94104	Provide legal and social services to low-income renters to avoid imminent loss of housing and help people stabilize their lives.	\$90,000
9. Bay Area Legal Aid 50 Fell St 1st Fl 94102	Provide direct legal assistance to low-income domestic violence survivors.	\$42,000
10. Bay Area Video Coalition 2727 Mariposa St 2nd Fl. 94110	Provide multi-media training, technical assistance and placement services to low-income San Francisco residents	\$60,000
11. Booker T. Washington Community Service Center 800 Presidio Av 94115	Young people ages 17 to 26 will receive job readiness, retention training, work skills development, job placement, mentorship/support services.	\$61,000
12. Boys & Girls Clubs of San Francisco 450 Guerrero St 94110	Provide literacy tutoring and youth development services for 30 children in the Mission and Western Addition through collaboration with a local volunteer organization	\$24,350

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
13. Brava! for Women in the Arts 2781 24th St 94110	Provide technical theater training, and placement services to low-income youth and young adults	\$47,000
14. Career Resources Development Center 655 Geary St - 94102	Provide vocational training, job placement and retention services to immigrants, refugees and other disadvantaged adults.	\$80,000
15. Catholic Charities CYO/Mission Day Care 180 Fair Oaks St 94110	Provide child care and parenting education services to low-income residents of San Francisco with special emphasis to Latino families in the Mission District	\$61,500
16. Central American Resource Center (CARECEN) 1245 Alabama St 94110	Provide immigrant/legal services and work permit assistance to low income immigrants in the Latino community.	\$40,000
17. Central City Hospitality House 290 Turk St 94102	Provide job readiness, placement and retention services to homeless and marginally housed people from Tenderloin community,	\$31,650
18. Charity Cultural Services Center 827 Stockton St 94108	Provides vocational training in cooking, bartending, table waiting, and carpentry training to limited English speaking immigrants.	\$100,000
19. Chinese for Affirmative Action 17 Walter U. Lum Place 94108	Provide counseling, placement and retention services primarily in the Chinatown and Visitacion Valley neighborhoods.	\$100,000
20. Chinese Newcomers Service Center 777 Stockton St 104 94108	Provide bilingual outreach info/referral, case management, job readiness/placement services for low-income adults in the Chinatown, Sunset, Richmond, and Visitacion Valley districts.	\$96,000
21. Community Alliance for Special Education (CASE) 1500 Howard St 94103	Advocacy with parents and the school district to develop appropriate Individual Education Program to assist children with disabilities.	\$25,000
22. Community Center Pjt of S.F 1800 Market St 94102	The agency requests funding to support its Workforce Development Program which provides job readiness, job development and career counseling to the LGBT community.	\$25,000
23. Community United Against Violence 160 14th Street St 94103	Providing emergency support services to low and extremely low-income Lesbian, Gay, Bisexual, Transgender domestic violence victims.	\$27,000
24. Community Youth Center-San Francisco (CYC-SF) 1237 Van Ness Av 200 94109	Provide job skills enhancement, vocational/multimedia computer training and placement to youth.	\$73,000
25. Compass Community Services 995 Market St 5th flr 94103	Provide housing counseling and support to homeless families in the emergency shelter program.	\$37,000
26. Donaldina Cameron House 920 Sacramento St 94108	Provide multi-lingual employment readiness training and placement services to monolingual Asian immigrants.	\$35,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
27. Earned Asset Resource Network (EARN) 235 Montgomery St 300 94104	Provide residents in Southeast with financial management training, access to IDAs, and matched savings accounts.	\$50,000
28. Ella Hill Hutch Community Center 1050 McAllister St 94115	Providing a diversion program to get youth living in the Western Addition back into school.	\$125,000
29. Episcopal Community Services of SF 165 8th St Skills 94103	Provide adult education focused on job skills and basic education for the homeless in its MOCD funded shelter program.	\$30,000
30. Family School (The) 3101 Mission St 101 94110	Employment and job training, and educational and career planning program designed specifically for residents living in Bayview -Hunter's Point - Sunnydale public housing developments.	\$50,000
31. Filipino-American Council of SF 2940 16th Street, San Francisco 319 94103	Provide job readiness training and employment placement services to low-income Filipino immigrants	\$40,000
32. Filipino-American Development Foundation: Filipino Community Center 1000 Cayuga Av 94112	Provide services to high risk youth 14-18 years old in the Excelsior District.	\$25,000
33. Filipino-American Development Foundation: Filipino Community Center 35 San Juan Av 94112	To develop initiatives and resources that strengthen the social, physical, and economic well-being of the Filipino-American community.	\$25,000
34. Girls After School Academy 2050 Sunnydale Av Bungalow 94134	Agency proposes leadership development activities including: health awareness, academic enhancement and job readiness.	\$40,000
35. Glide Foundation 330 Ellis St NA 94102	Provide constructions skills, and support services to low income young adults ages 18-24	\$30,000
36. Gum Moon Residence Hall 65 Beverly St 94132	Provide bilingual/bicultural parenting education, case management to 40 families with children 0-5 yrs of age in the Sunset/OMI districts.	\$15,000
37. Haight Ashbury Food Program 270 Divisadero St 94117	A 12 week cooking course designed to train, job place individuals who are homeless, etc.	\$25,000
38. Hearing Society for the Bay Area, Inc. 49 Powell St 400 94102	Providing a community access program to educate low-income persons who are hard of hearing or deaf living in San Francisco.	\$45,000
39. Homeless Children's Network 3265 17th St 404 94110	Provide centralized intake, outreach and referrals for family services and support to residents in the Southeast.	\$40,000
40. Hunter's Point Boys and Girls Club 729 Kirkwood Av 94124	Provides tutoring, computer education and summer programs for children and youth aged 5-17 living in BVHP	\$20,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
41. Hunters Point Community Youth Park Foundation 200 Middlepoint Rd 94124	Provide children and youth aged 6-18 living in BVHP with afterschool, weekend, and summer programs.	\$105,000
42. Ingleside Community Center 1345 Ocean Av x 94112	Provide training, placement, and retention services to young adults and other adults living in OMI.	\$63,450
43. Inner City Youth 1000 Cayuga Av 94112	An automotive job preparation, placement and training program for low-income residents.	\$50,000
44. Instituto Laboral de La Raza 2947 16th St 94103	Provide legal services in the areas of employment and labor law to low income resident of San Francisco	\$68,000
45. Iris Center 333 Valencia St 222 94103	Proposed project will help young women emancipate into independent living by 1- providing securing housing, providing academic and vocational guidance, imparting reproductive health knowledge, providing substance abuse services and therapy.	\$50,000
46. Jewish Vocational and Career Counseling Service 225 Bush St 4th Floo 94104	Provide workforce development training, job placement and job retention to low-income individuals.	\$60,000
47. John W. King Senior Center 500 Raymond Av 94134-2361	Provide transportation to low income seniors and disabled adults in BVHP, Visitacion Valley, Sunnydale, and Portola.	\$100,000
48. Juma Ventures 131 Steuart St 201 94105	Provide youth in Southeast with financial management training, access to free checking, and savings or matched savings accounts.	\$20,610
49. La Casa de las Madres 1850 Mission St B 94103	Provide support services to battered women and their children	\$52,000
50. La Raza Centro Legal 474 Valencia St 295 94103	Provide bilingual legal services and community education workshops for low-income Spanish speaking clients	\$125,000
51. La Raza Centro Legal/C.I.A.E.R. Project 333 Schwerin St 228 94134	Provide leadership development opportunities, support services, and violence reduction activities in Visitacion Valley.	\$25,000
52. Larkin Street Youth Services 869 Ellis St 94109	Individuals living at Larking Street Emergency Shelters Facilities will receive help to exit street life, and reunify with their families or achieve self-sufficiency.	\$61,000
53. Lavender Youth Rec. & Info. Ct.(LYRIC) 127 Collingwood St 94114	Providing service learning opportunities for LGBTQ youth of all races and ethnicities.	\$66,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
54. Lyon-Martin Women's Health Services 1748 Market St 201 94102	Providing critical health care services for low-income and uninsured homeless, HIV/AIDS, and transgender women living in	\$77,500
55. Mission Education Projects, Inc. 3049 24th St 94110	Provide tutorial services to elementary school children and support services for parents	\$50,000
56. Mission Hiring Hall, Inc. 3042 16th St 94103	Provide comprehensive employment training, placement and retention services to low income immigrants	\$119,000
57. Mission Language and Vocational School, Inc. 2929 19th St 94110	Provide Job training and placement services and vocational English training, particularly to Latinos and other immigrants	\$125,000
58. Mission Learning Center 474 Valencia St 210 94103	Provide after-school and summer reading program for children, and parenting education for parents	\$75,000
59. Mission Neighborhood Centers 534 Precita Av 94110	Provide an after school program for latchkey youth ages 5-12	\$40,000
60. Mission Neighborhood Centers 4398 Mission St 94112	Agency will provide services for seniors and adults with disabilities. They will do this by providing hot lunches to 400 elderly, case management to 200 seniors, providing social activities to 400 seniors and distributing food to 600 seniors.	\$50,000
61. Network For Elders 1555 Burke Av A 94124	Provide case management and home care to seniors living in BVHP.	\$43,000
62. New Leaf Services for our Community 1853 Market St 94103	Providing Outpatient Mental Health Services to Lesbian, Gay, Bisexual, Transgender individuals, couples, and their families.	\$55,000
63. Nihonmachi Legal Outreach 1188 Franklin Street St 202 94109	Provide legal services in the areas of domestic violence, immigration, naturalization and public benefits to the Asian/Pacific Islander community.	\$93,000
64. Northern California Service League 28 Boardman Place 94103	Provide employment readiness and placement services to low income clients who are primarily ex-offenders.	\$68,000
65. Opnet Community Ventures, Inc. 120 Montgomery St 2270 94104	Provide job readiness training in the technology industry and job placement for low income young adults	\$50,000
66. Portola Family Connections 459 Vienna St 94112	To develop strong, healthy families and to build a thriving Portola and Excelsior community.	\$35,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
67. Positive Resource Center 785 Market St 10th Fl 94103	Positive Resource Center is a comprehensive employment and job placement service for low-income residents of San Francisco who are living with HIV/AIDS and seeking to enter/re-enter the workplace.	\$30,000
68. Potrero Hill Neighborhood House 953 De Haro St 94107	Enhanced tutorial and career development services for youth; Long standing role in the community. One of few community services.	\$25,000
69. Rebuilding Together San Francisco P28 The Embarcadero St 94105	Mobilize volunteers to renovate homes, community facilities, and schools in the Southeast Sector.	\$40,000
70. Renaissance Parents of Success 1485 Bayshore Bl 348 94124	Provide job readiness, placement and retention services to very low income youth and adults, including youth aging out of foster care, residing in Bayview, Mission, Potrero Hill, Visitacion Valley and other neighborhoods.	\$100,000
71. Samoan Community Development Center 2055 Sunnydale Av 100 94134	Provided case management, employment, housing, and advocacy services to Pacific Islanders.	\$60,000
72. San Francisco Child Abuse Prevention Center - Talk 1757 Waller St 94117	Provide and coordinate family support and pretreatment services to families of working individuals from substance abuse.	\$32,500
73. Self-Help for the Elderly 407 Sansome St 94111	Provide Home Health Aide training to limited English-speaking adults for certification by the State as Home Health Aides and job placements.	\$30,000
74. Sojourner Truth Foster Family Service Agency, Inc. 3450 3rd St 1C 94124	Establish and provide a mental health based program for foster care children and youth in Bayview Hunter's Point Community.	\$21,500
75. Southwest Community Corporation 446 Randolph St 94132	Provide comprehensive information and referral services, case management, adult education, and business services to residents of the OMI.	\$50,000
76. St. John's Educational Thresholds Center 1575 15th St 94103	Provide educational enrichment and tutorial services for youth and education workshops for parents	\$25,500
77. St. Vincent de Paul Society of San Francisco 1175 Howard St 94103	Provide case management services that benefit homeless or very low-income substance abusers who are either in recovery or seeking assistance for complete recovery.	\$45,000
78. Sunset District Comm. Develop. Corp. 3918 Judah St 94122	Provide case management services to low-income families, particularly women in crisis, this includes supplemental groceries for individuals in need of food.	\$55,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
79. Swords to Plowshares Veterans Rights Organization 1060 Howard St 94103	Provide legal assistance to low-income and homeless veterans in availing medical benefits from the US Dept. of Veterans Affairs and disability income due them.	\$40,000
80. Tides Center 1307 Evans St 94124-1705	Provide leadership development training to low income youth in Bayview Hunters Point, Visitacion Valley, and Western Addition.	\$30,000
81. Together United Recommitted Forever (T.U.R.F.) 1652 Sunnydale 94134	The Girls Group Program ages 12-18 provides a safe caring environment that builds relationships through fun activities.	\$50,000
82. Toolworks 410 Palm Avenue Av 94130	Provided on-the-job janitorial training and job placement for adults with disabilities.	\$47,000
83. Urban University 870 Market St 307 94102	Work Smart is an employment training and placement program of hard to employ low-income individuals in the fields of biotechnology and the legal profession.	\$50,000
84. URSA Institute 390 Fourth St 94107	Provide estate planning and asset protection training for Southeast sector residents.	\$25,000
85. Vietnamese Community Center of SF 766 Geary St 94109	Provide vocational training, training, and placement services to low-income Vietnamese families.	\$50,000
86. Vietnamese Elderly Mutual Assistance Association 910 Larkin St 94109	Provide supportive services to low-income Vietnamese seniors in the Tenderloin.	\$35,000
87. Visitacion Valley JET 333 Schwerin St 211 94134	Provide job training, placement, and retention services to Visitacion Valley and Bayview Hunters Point residents.	\$90,000
88. West Bay Pilipino Multi-Service Corp. 180 Seventh St 94103	Provide career development, job placement and job retention services for immigrant adults, 18 years and above in Tenderloin, SOMA, Mission and the Excelsior.	\$95,000
89. West Portal Center for After-School Rec. & Education 65 Chenery St Aud. 94131	To develop a partnership between Faimont School and West Portal CARES that meets the highest standard for children under California state law.	\$27,600
90. Women's Foundation, Mujeres Unidas Y Activas 3543 18th St 23 94110	Provide home health care training, placement and support services to low-income immigrant Latino women	\$50,000
91. Young Community Developers 1715 Yosemite Av 94124	Provide comprehensive employment services to low and very low income adults living in BVHP and other communities.	\$85,000

Subtotal: \$4,849,660

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Administration		
<i>These funds are used to funds services needed to administer the CDBG Program.</i>		
1. Controller - MOCD	Controller for MOCD	\$60,000
2. Controller - MOH	Controller for MOH	\$60,000
3. Mayor's Office of Community Development	Homeless Board	\$78,684
4. Mayor's Office of Community Development	Environmental Review	\$15,000
5. Mayor's Office of Community Development	Enterprise/Community Renewal	\$64,144
6. Mayor's Office of Community Development	Relocation Board	\$14,681
7. Mayor's Office of Community Development	DTIS/IT Development	\$85,500
8. Mayor's Office of Community Development	MOCD Salaries and Overhead	\$3,130,282
9. Mayor's Office of Community Development	New Market Tax Credits	\$79,319
10. Mayor's Office of Housing	Environmental Review - MOH	\$5,000
11. Mayor's Office of Housing	DTIS / IT Development	\$4,750
12. Mayor's Office of Housing	MOH Salaries and Overhead	\$1,411,020
13. San Francisco City Attorney - MOCD	City Atty - MOCD	\$25,000
14. San Francisco City Attorney - MOH	City Atty - MOH	\$25,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
15. San Francisco Planning Department	Planning Dept for MOCD	\$7,500
16. San Francisco Planning Department	Planning Dept. for MOH	\$7,500

Subtotal: \$5,073,380

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Public Space Improvement		
<i>Public Space Improvement</i>		
1. Friends of the Urban Forest Bayview Hunters Point and Visitacion Valley 94124	Plant 200 trees in Bay View Hunters Point and Visitacion Valley communities.	\$60,000
2. San Francisco Conservation Corps 102 Fort Mason 94123	Partner with 20 agencies (7 non-profits, 3 DPW, 1 Rec/Park, 6 SFHA and 3 SFUSD sites) for improvements consisting of playground renovation, landscape beautification and erosion control.	\$1,312,000
3. Visitacion Valley Comm. Ctr., Inc. 325 Leland Av 94134	Install a new play structure and matting for older children (5 year olds).	\$40,000
		<i>Subtotal:</i> <i>\$1,412,000</i>
1. Public Space Improvement Fund	Contingency for unforeseen problems	\$253,449

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Housing Program Grants		
<i>CDBG Housing Program Grants. Administrative costs associated CBO housing services, construction, or management of low-moderate income housing units.</i>		
1. AIDS Housing Alliance 427 South Van Ness Av 94103	Provide housing counseling services to clients who are HIV positive.	\$25,000
2. AIDS Legal Referral Panel of the SF Bay Area 1663 Mission St 94103	The AIDS Legal Referral Panel provides free or low cost legal services to people who are HIV positive and those with AIDS>	\$38,690
3. Asian Neighborhood Design 1182 Market St Ste.300 94102	Asian Neighborhood Design (AND) will provide architectural technical assistance to nonprofit affordable housing sponsors.	\$269.000
4. Asian, Inc. 1670 Pine St 94109	administration of affordable housing development and management (capital improvements, rehabilitation, conversion, new construction), first-time homebuyer counseling services	\$155,889
5. Bayview Hunters Point Multipurpose Senior Services 1706 Yosemite Av 94124	BVHPMC has requested funds to provide housing counseling to senior homeless ex-offenders. This service includes 1) providing permanent housing to 50 homeless senior ex-offenders and 2) helping other senior ex-offenders maintain their existing housing and 3) finding housing for 20 other ex-offenders.	\$60,000
6. Bernal Heights Neighborhood Center 515 Cortland Av 94110	BHNC requests \$248,800 for 1) New construction activities related to 275 10th St - perm supportive housing for 140 chronically homeless adults 2) Management of 13 perm affordable housing developments 3) Site exploration for new affordable housing.	\$180,000
7. Chinatown Community Development Center 1525 Grant Av 94133	Administration of affordable housing development, housing counseling services for first-time homebuyers and tenants, supportive services at 3 housing sites.	\$420,535
8. Community Housing Partnership 1010 Market St First Fl 94102	CHP is proposing the development and management of supportive housing for the chronically homeless.	\$115,000
9. Episcopal Community Services of SF 165 Eighth St 94103	ECS intends to use their request to fund 1.5 FTEs, a housing development manager and half-time housing programs accountant to provide supportive services to their clients in their five existing sites and the two sites in their pipeline. ECS also intends to use the funds to support activities to bring 82 new units of permanent supportive housing on-line.	\$70,000
10. Eviction Defense Collaborative, Inc 433 South Van Ness Av 94103	The Eviction Defense Collaborative assists tenants who have received an eviction lawsuit to file a response and represent themselves in court	\$25,000

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
11. GP/TODCO, Inc. 105 Seventh St 94103	Affordable housing and community development in the South of Market area.	\$100,000
12. Independent Living Resource Center of SF 649 Mission St 3rd flr 94105	ILRC provides fair housing and tenant counseling services to disabled persons.	\$60,000
13. Legal Assistance to the Elderly 995 Market St Ste 1400 94103	Legal Assistance to the Elderly provides advice and representation to low and moderate income seniors and disabled persons who are being evicted, subjected to illegal rent increases or being forced to live in substandard units.	\$30,000
14. Manilatown Heritage Foundation 848 Kearny St 94108	Manilatown Heritage Foundation requests \$20k for housing counseling services.	\$20,000
15. Mission Economic Development Association 3505 20th St 94110	MEDA requests \$190k for the support of housing counseling services.	\$110,000
16. San Francisco Bay Area Housing and Development Co. 600 Haight St 94117	First-time homebuyer services: classes and workshops that educate and prepare low-income persons for homeownership.	\$25,000
17. San Francisco Housing Development Corporation 5266 Third St 94124	SFHDC 'S mission is to foster stability in the City's African American community through the development of affordable homes and new homeowners..	\$50,000
18. Self-Help for the Elderly 407 Sansome St 94111	Self Help will provide housing counseling, referral, mediation and assistance to low income seniors and their families to assist them in securing and maintaining their housing.	\$50,500
19. Tenderloin Housing Clinic, Inc. 126 Hyde St 94102	THC provides free tenant legal counseling and prevention of tenant eviction services.	\$50,000
20. Tenderloin Neighborhood Development Corporation 201 Eddy St 94102		\$288,000
21. Tides Center/Housing Rights Committee of San Francisco 427 So. Van Ness Av 94103	Housing counseling services that educate and organize tenants to defend their rights to affordable and habitable housing.	\$57,000
22. Tides Center/St. Peter's 474 Valencia St 156 94103	Housing counseling, education and advocacy for low-income tenants.	\$32,000
23. Mayor's Office of Housing	Performance Loan Fees	\$706,000
	<i>Subtotal HPG: \$2,937,614</i>	
1 . Mayor's Office of Housing	Housing Development Pool	\$5,241,907

Community Development Block Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Program Income		
<i>These activities are funded with program income.</i>		
1. MOCD	Repayment of Section 108 Childcare Facility loans	\$1,002,318
2. MOCD	Micro Enterprise Loan Program	250,000
3. MOCD	Small Business Loan Program	\$1,750,000
4. MOH	Community Housing Rehabilitaion On Program	\$2,222,374
5. SFRA	Central Relocation Services	\$180,000
<i>Subtotal Program Income:</i>		\$5,404,692

TOTAL CDBG (INCLUDING PROGRAM INCOME) \$ 31,336,306

Contract Number	Name	Amount	Balance	Comments	Fund Source	Prog	Grant Detail
Funding re-encumbered to Doc. No. ENM001000075-012 Contract extension up to December 31, 2003 per attached request approved by Jon Pon							
ENM001000075-02	Economic Opportunity Council of SF	80,000	29,804	MOC001	CP	03E195	
ENM0010000208	United Council of Human Services	50,000	16,919	MOC009	CP	03223B	
				Modify bathrooms to ADA (3rd Floor (Womens); Modify bathrooms to ADA (3rd Floor Mens); Remodel toilet/shower room (2nd floor Womens).			
ENM003000150	Walden House	100,000	100,000	MOC003	CP	03E237	
ENM004000050-02	Southwest Community Corporation	30,000	2,859	MOC004	FPI	030256	
				To set up 2003-2004 CDBG/FPI Contract.			
				Foundation Repair and weatherproofing; ADA Accessible entry & hardware, ADA parking space; Renovate men's & Women's bathrooms, game room; Convert weight room to counselling program space, upgrade electrical outlets, lighting.			
				To cover additional funding need for change orders for unforeseen conditions.			
ENM004000171	Hunter's Point Boys and Girls Club	125,320	22,735	MOC004	CP	03D240	
ENM004000172	Walden House	25,000	9,909	MOC004CP	CP	03C301	
ENM004000193	Walden House	5,000	5,000	MOC004CP	CP	03D301	
ENM004000220	Economic Opportunity Council of SF	100,000	100,000	MOC004	CP	03P249	
ENM004000273	Haight Ashbury Food Program	110,000	37,857	MOC004CP	CP	03D302	
				SL, SF			
				Additional funding cost per MOD requirements, replacement and construction contingency.			
				Additional amount added to existing contract to funds needed to a series of change orders due to MOD modifications. (Amount funded thru 2004-2005 Capital Pool) Modification increase (\$40,000.00) per JEM005000059.			
ENM005000090	Southwest Community Corporation	70,000	5,783	MOC005CP	CP	03E301	
ENM005000116	Boys & Girls Clubs of San Francisco	65,400	65,400	MOC005	CP	03D229	
ENM005000125	Ark of Refuge	258,364	62,204	MOC005CP	CP	03D301	
ENM005000180	Haight Ashbury Food Program	10,000	10,000	MOC005CP	CP	03C301	
ENM005000212	Providence Foundation	41,600	39,429	MOC005	CP	03E236	
ENM005000215	Ark of Refuge	110,000	10,066	MOC001FERG	CP	03C2RB	
ENM005000224	Economic Opportunity Council of SF	25,000	25,000	MOC005CP	CP	03D303	
X	Boys & Girls Clubs of San Francisco	15,000	15,000	MOC005CP	CP	03D302	
X	Lutheran Church of Our Savior	34,000	34,000	MOC005	CP	03M235	
ENM005000246	San Francisco Conservation Corps	1,400,000	706,280	To setup 2004-2005 CDBG/CP Contract.			
				Contract for extensive termite and dry rot damaged discovered during roof replacement project.			
				Additional amount to cover cost of replacing acoustics in gymnasium.			
				To setup 2004-2005 CDBG/CP Contract.			
ENM005000269	San Francisco Children & Youth Services	124,154	124,154	MOC002	FPI	030Z16	
X	Visitation Valley Community Development Corporation	175,000	175,000	MOC001-UD	FPI	UDXX	
ENM0020000225		381,331	5,269	MOC008	CP	03227E	
				Funding for the construction of the Village Community Center. Time extended from Oct 2004 to June 30, 2005 per Harry Baker.			

Contract Number	Name	Amount	Balance	Comments	Fund Source	Prog	Grant Detail
ENMO04000111	Mission Childcare Consortium	250,000	250,000	To set up 2003-2004 CP Contract Elevator installation, 3 stop, cab, motor, electrical upgrade, related demo; Doors and hardware; New stairs & enclosure; lighting; demolition; new drain line; painting, drywall & patching; water heaters and laundry hookups.	MOCD04	CP	03M252
ENMO04000163	Sage Project	115,000	35,117	Build accessible restrooms and ramp at vocational facility serving mental health clients.	MOCD02	CP	03E173
ENMO04000214	Chinatown Community Development Center	100,000	100,000		MOCD03	CP	03E240
ENMO04000253	Community Vocational Enterprises	70,000	25,419		MOCD02	CP	03E255
ENMO05000101	Richmond District Neighborhood Center	26,000	26,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03E237
ENMO05000151	Henry Ohlhoff House	122,500	122,500	To set up 2003-2004 CP Contract	MOCD04	CP	03P239
ENMO05000153	Sage Project	112,000	43,354	To setup 2004-2005 CDBG/CP Contract	MOCD05	CP	03P238
ENMO05000182	Henry Ohlhoff House	120,000	120,000	To setup 2004-2005 CDBG/CP Contract	MOCD05	CP	03P026
ENMO05000183	Self-Help for the Elderly	80,000	32,501	For construction of the Jackie Chan Senior Center at 5757 Geary Street.	MOCD04CP	CP	03A301
ENMO05000200	Mission Neighborhood Centers	16,500	16,500	To set up 2003-2004 CP Contract	MOCD04	CP	03E159
ENMO05000201	Mission Neighborhood Centers	20,000	20,000		MOCD03	CP	03M230
X	Bay Area Video Coalition	75,000	75,000	To set up 2004-2005 CDBG/CP Contract	MOCD05	CP	03E227
X	Bernal Heights Neighborhood Center	500,000	500,000	To set up 2004-2005 CDBG/CP Contract	MOCD05	CP	03E228
X	Haight Ashbury Free Clinics	27,000	27,000	To setup 2004-2005 CDBG/CP Contract	MOCD05	CP	03P021
X	Haight Ashbury Free Clinics	76,000	76,000	To setup 2004-2005 CDBG/CP Contract	MOCD04	CP	03P0253
X	Mission Neighborhood Centers	80,000	80,000	To set up 2003-2004 CP Contract	MOCD03	CP	03E234
	Potrero Hill Neighborhood House	53,600	53,600		MOCD02	CP	03E240
ENMO02000178	Burn Center Inc	70,000	47,312	Extension of Time to June 30, 2003 per attached letter.	MOCD01	CP	03E164
ENMO02000181	Charity Cultural Services Center	110,500	86,662	Extension of time for completion of project activities requested 4/12/2005.	MOCD01	CP	03E189
ENMO02000224	Potrero Hill Neighborhood House	120,000	111,998	Extension of grant agreement to 9/30/2005 for construction activities requested 4/12/2005.	MOCD01	CP	03E189
ENMO03000131	San Francisco Housing Authority	200,000	227,320	Contract extension until June 30, 2005	MOCD03	CP	14C202
				Replace entry door/frame/hardware/grade sidewalk entry to new door, Instal-hardail, rubber treads, lighting, interior door/frame/hardware, ADA signage, Repair/reveal flooring, carpeting, etc. Architecture & Engineering Services.	MOCD03	CP	03S189
ENMO03000154	Tenderloin AIDS Resource Center	63,000	940	Construct a new street level entryway/ install a 3 stop elevator.	MOCD03	CP	03D225
ENMO03000195	Japanese Community Youth Council	140,000	140,000	Extension of time for completion of project	MOCD99	CP	03Z230
ENMO03000207	Charity Cultural Services Center	105,295	105,295	Extension of time for completion of project	MOCD01FERG	PH	03Z11B
ENMO03000208	Charity Cultural Services Center	44,705	44,705	Extension of time for completion of project	MOCD04	PH	03Q188
ENMO04000173	San Francisco Housing Authority	150,000	85,088	To extend 2003-2004 CDBG/CP Contract to June 30, 2006.	MOCD03	CP	03M238
ENMO04000257	YMCA of San Francisco	50,000	29,215	Prepare extension for continuing construction work.	MOCD03	CP	03D192
ENMO04000258	YMCA of San Francisco	150,000	150,000	To set up 2002 - 2003 CP contract	MOCD02	CP	03E254
ENMO04000259	YMCA of San Francisco	275,000	275,000	To set up 2001 - 2002 CP contract	MOCD04	CP	03E232
ENMO04000269	Central City Hospitality House	50,000	47,280	To set up 2003-2004 FF Contract	MOCD06	CP	03E067
ENMO05000174	Telegraph Hill Neighborhood Association	90,000	90,000	To setup 2004-2005 CDBG/CP Contract.			

Contract Number	Name	Amount	Balance	Comments	Fund Source	Prog	Grant Detail
ENM005000193	Citizens Housing Corporation	96,000	96,000	Remodel of ground floor program/office space, ADA improvements and architectural services.	MOCD04	CP	03A254
ENM005000205	San Francisco Housing Authority	244,000	244,000	To setup 2004-2005 CDBG/CP Contract for conversion of storage space to youth facility.	MOCD05	CP	03D240
ENM005000210	San Francisco Housing Authority	18,000	18,000	Additional funding from pool to meet construction sum.	MOCD05	CP	03E304
X	Central City Hospitality House	30,500	30,500	To set up 2004-2005 CDBG/CP Contract.	MOCD05	CP	03C222
X	Ella Hill Hutch Community Center	63,200	63,200	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03D232
X	Family Service Agency	226,000	226,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03E233
X	Glide Foundation	100,000	100,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03P234
X	San Francisco Housing Authority	665,000	665,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03D239
X	YMCA of San Francisco	67,600	67,600	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03E243
X	YMCA of San Francisco	115,000	115,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03D242
				Enlarge & remodel women's bathroom; Replace 6 HVAC units, Install ceiling insulation and Architectural/Engineering.	MOCD04	CP	03E231
ENM004000002	Arriba Juntos	53,000	53,000		MOCD04	CP	03M251
ENM004000219	Kai Ming Head Start, Inc.	120,000	29,000	To set up 2003-2004 CP Contract	MOCD03	CP	03D229
	Mission Neighborhood Centers	94,420	94,420		MOCD03	CP	03E244
	South of Market Foundation	25,000	25,000		MOCD04	CP	03M243
				Renovation of garage; installation of storage space; removal of closed wall; installing railing, new stairs and entry at 2nd & 3rd floors, programmable card access system; replace main building drain pipe. Extension of time up to 6/30/2004 per attached I	MOCD01FERG	CP	03Z11A
ENM001000218	Lavender Youth Rec. & Info. Ct.(LYRIC)	90,000	30,562	To set up 2003-2004 CP Contract	MOCD04	CP	03Z243
ENM004000177	Nihonmachi Little Friends	85,000	1,000	Additional funding for revising fire alarm system in the facility required by the fire inspector due to elevator installation.	MOCD04CP	CP	03E302
ENM004000178	Arriba Juntos	20,000	14,571	For additional ADA work	MOCD04CP	CP	03M302
ENM004000272	Nihonmachi Little Friends	20,000	3,325		MOCD05	CP	03A241
ENM005000117	Visitation Valley Comm. Ctr., Inc.	54,000	54,000	To setup 2004-2005 CDBG/CP Contract	MOCD03	CP	03P232
ENM005000135	Mission Area Health Associates	134,500	134,500		MOCD04	CP	03P241
ENM005000136	Mission Area Health Associates	135,000	135,000	To set up 2003-2004 CP Contract	MOCD05	CP	03M441
ENM005000164	Nihonmachi Little Friends	67,000	67,000	To setup 2004-2005 CDBG/CP Contract	MOCD05CP	CP	03E302
ENM005000176	Lavender Youth Rec. & Info. Ct.(LYRIC)	10,000	10,000	Additional funds to repair dry rot damaged front stairs.	MOCD04	CP	03E250
ENM005000184	Filipino-American Development Foundation	150,000	150,000	To set up 2003-2004 CP Contract	MOCD03	CP	03E241
	La Raza Centro Legal	30,000	30,000	To setup capital project for day labor to renovate laborer hiring and service center..	MOCD05	CP	03E102
ENM005000190	Philippine-American Development Foundation	175,000	175,000	To setup 2004-2005 CDBG/CP Contract.	MOCD03	CP	03E228
ENM005000195	Mission Language and Vocational School, Inc.	100,000	100,000	Contract to renovate electrical and mechanical system in vocational training facility serving new immigrants.	MOCD04CP	CP	CFPC3Q
X	Department of Public Health	43,578	43,578		MOCD04CP	CP	03P231
X	Department of Public Health	603,263	603,263		MOCD05	CP	
X	Department of Public Health	249,000	249,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	

Contract Number	Name	Amount	Balance	Comments	Fund Source	Prog	Grant Detail
X	Department of Public Health	360,000	360,000	To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03P230
X	Department of Public Health	214,546	214,546	To setup contract for ADA improvements at Silver Avenue Family Health Center	MOCD05CP	CP	03P122
				Revenue transfer to MOD curb program to provide equal access to all the city's residents within the limits of existing building.	MOCD08	CP	03ZR02
X	Mayor's Office of Disability	407,232	407,232	41,000 To set up 2003-2004 CP Contract	MOCD04	CP	03D158
X	Mission Neighborhood Centers	41,000	41,000	76,900 To set up 2003-2004 CP Contract	MOCD04	CP	03A244
X	On Lok Day Services	76,900	76,900	84,000 To setup 2004-2005 CDBG/CP Contract.	MOCD05	CP	03A048
X	On Lok Day Services	84,000	84,000	70,000 To setup 2004-2005 CDBG/CP Contract	MOCD05	CP	03B054
X	Recreation Center for the Handicapped	70,000	70,000	11,966,008 9,535,197			

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Item 4 – File 05-0600

Department: Mayor's Office of Community Development (MOCD)

Item: Resolution approving the FY 2005-2006 Emergency Shelter Grants Program and expenditure schedule; and authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend a \$923,756 entitlement under the Emergency Shelter Grants Program from the Federal Department of Housing and Urban Development.

Amount: \$923,756 (total allocation request is \$938,557 as explained below)

Source of Funds: Federal Department of Housing and Urban Development (HUD)

Grant Period: July 1, 2005 through June 30, 2006

Description: The HUD Emergency Shelter Grants Program (ESGP) was first established under the Stewart B. McKinney Homeless Assistance Act in July of 1987. The program is designed to assist in (a) improving the quality of existing emergency shelters for the homeless, (b) making available additional emergency shelters, and (c) meeting the costs of operating emergency shelters. The program's goal is to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the ESGP. Funds from the ESGP are budgeted under five categories, as follows: (a) essential and social services, (b) maintenance and operating expenses, (c) homeless prevention services, (d) the Emergency Shelter Pool, and (e) MOCD administration.

In addition to the FY 2005-2006 ESGP allocation of \$923,756, there is \$14,801 in reprogrammed funds for total ESGP funds of \$938,557 in FY 2005-2006, which is \$14,048 or approximately 1.5 percent more than the FY 2004-2005 allocation of \$924,509. MOCD proposes to allocate \$890,745, or 94.9 percent, of the program funds of \$938,557 to 18 non-profit organizations, and \$47,812, or 5.1 percent,

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for MOCD administrative costs, as permitted under HUD regulations.

Budget: The proposed summary budget for the ESGP allocation of \$938,557 is as follows:

Emergency Shelter Grant Program			
Agency	Approved FY 2004-2005	Proposed FY 2005-2006	Increase/ (Decrease)
	ESGP Budget	ESGP Budget	
American Red Cross Bay Area, SF	\$68,000	-	(\$68,000)
Ark of Refuge	-	25,000	25,000
Asian Women's Shelter	56,000	56,000	-
Bar Association of San Francisco/Volunteer Legal Services Program	60,000	-	(60,000)
Catholic Charities Catholic Youth Organization	25,000	25,000	-
Central City Hospitality House (Orlando)	31,850	31,850	-
Compass Community Services	50,000	50,000	-
Dolores St Community Services/So. Van Ness	48,000	48,000	-
Episcopal Community Services of SF	40,000	40,000	-
Eviction Defense Collaborative	25,000	-	(25,000)
Friendship House Association of American Indians, Inc.	36,900	30,000	(6,900)
Gum Moon Residence Hall	50,000	50,000	-
Hamilton Family Center, Inc	50,000	50,000	-
La Casa de las Madres	77,300	77,300	-
Larkin Street Youth Services	54,000	54,000	-
Metropolitan Community Foundation	50,000	50,000	-
MOCD (5.1% Admin)	46,110	47,812	1,702
St Boniface Neighborhood Center	-	25,000	25,000
St Vincent DePaul Society	20,000	20,000	-
Swords to Plowshares	40,234	40,234	-
Tides Center	-	122,361	122,361
United Council of Human Services	96,000	96,000	-
<i>Total Emergency Shelter</i>	<i>\$924,394¹</i>	<i>\$938,557</i>	<i>\$14,163</i>

Attachment I, provided by MOCD, contains the FY 2005-2006 ESGP budget of 938,557 as well as a list and description of the above programs. Funding for MOCD administrative costs, which is 5.1 percent of total costs, increased from \$46,110 in FY 2004-2005 to \$47,812, an

¹ The Budget Analyst notes that although \$924,509 was allocated in FY 2004-2005, expenditures totaled \$924,394 (see chart above), therefore MOCD expended \$115 less than was appropriated. The \$115 from FY 2004-2005 is included in the \$14,801 in reprogrammed funds for FY 2005-2006.

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increase of \$1,702. The Budget Analyst's review of the MOCD Administration budget is included in File 05-0598 of the Budget Analyst's April 14, 2005 report to the Budget and Finance Committee.

- Required Match:** HUD requires one-to-one matching funds, totaling \$938,557, for the ESGP funds. According to Mr. John Hudson of MOCD, such matching funds have been budgeted in the FY 2004-2005 DHS budget. Mr. Hudson reports that the source of the required matching funds is General Fund monies included in the DHS budget for homeless shelters.
- Indirect Costs:** None.
- Comments:**
1. According to Mr. Hudson, ESGP recipients were selected through an RFP process for Community Development Block Grant (CDBG) and ESGP funding issued on December 15, 2004. MOCD staff reviewed the submitted proposals and made recommendations to the Citizen's Committee on Community Development, which conducted a public hearing on March 30, 2005 regarding the Committee's preliminary recommendations for FY 2005-2006 ESGP and CDBG funding. The proposed FY 2005-2006 CDBG funding program is discussed in File 05-0598 in the Budget Analyst's April 14, 2005 report to the Budget and Finance Committee.
 2. As noted above, and as shown in the Attachment, the subject ESGP grant would allocate funds to (a) 18 non-profit organizations and (b) MOCD administrative costs. The FY 2005-2006 ESGP budget includes the following increases in funding, totaling \$174,063:
 - New funding of \$122,361 for the Tides Center, to pilot a new program which will provide nonprofit agencies with staffing, recruitment and training support;
 - New funding of \$25,000 for the Ark of Refuge, to provide a living environment for homeless Lesbian, Gay, Bisexual, Transgender and Questioning young adults;
 - New funding of \$25,000 for the St. Boniface Neighborhood Center, to provide a daytime refuge and job training to homeless people; and
 - An additional \$1,702 for MOCD administration of the ESGP.

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Such new and increased funding amounts are policy decisions for the Board of Supervisors.

- Recommendations:**
1. In accordance with Comment No. 2 above, approval of new and increased funding of \$174,063 is a policy matter for the Board of Supervisors.
 2. Approve the balance of the requested funding in the amount of \$764,494 (938,557 less \$174,063).

Emergency Shelter Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
Emergency Shelter Grants		
<i>This program funds projects and services for homeless individual and families.</i>		
1 . Ark of Refuge 1038 Howard St 94103	Providing a safe, supportive, and culturally sensitive living environment for homeless LGBTQ young adults.	\$25,000
2 . Asian Women's Shelter 3543 18th, #19 St 94110	Provide operating support for sheltering battered women and their children.	\$56,000
3 . Catholic Charities CYO 180 Howard St 94105-1696	Provide rental assistance to very low-income families/single individuals in danger of eviction or moving from shelters/transitional housing to permanent housing.	\$25,000
4 . Central City Hospitality House 146 Leavenworth St 94102	Provides emergency shelter to homeless men.	\$31,850
5 . Compass Community Services 995 Market St 94103	Provide emergency shelter/food and support services to homeless families to overcome poverty and stabilize their lives.	\$50,000
6 . Dolores Street Community Services 938 Valencia St 94110	Provide case management and employment advocacy services for shelter participants, the majority of whom are Latino working homeless.	\$48,000
7 . Episcopal Community Services of SF 201 Eighth St 94103	Provide shelter and meals to homeless and low-income people and help them obtain housing, jobs, and essential services to prevent and end homelessness.	\$40,000
8 . Gum Moon Residence Hall 940 Washington St 94108	Provide subsidized housing and support services to Asian immigrant domestic violence victims.	\$50,000
9 . Hamilton Family Center, Inc 1525 Waller St 94117	Provide a 24-hour drop-in center for emergency shelter and meals for homeless families.	\$50,000

Section B1

Emergency Shelter Grant Program

<u>Activity Name and Location</u>	<u>Program Description</u>	<u>2005 Budget</u>
10 . La Casa de las Madres 1850 Mission St 94103	Provide operating support for shelter for battered women and their children	\$77,300
11 . Larkin Street Youth Services 536 Central Av 94117	Providing shelter and Drop-In Center for youth 12-17 years old with comprehensive emergency and long-term services.	\$54,000
12 . Metropolitan Community Foundation 3750 18th St 94114	Shower Project at Mission High School on Saturdays.	\$50,000
13 . MOCD/ESG Administration	Provide for administration of ESG program	\$47,812
14 . St. Boniface Neighborhood Center 133 Golden Gate Av 94102	Provide safe, quiet daytime refuge for people who are homeless to sleep and use the restroom while providing job training.	\$25,000
15 . St. Vincent de Paul Society of San Francisco 3543 18th #4 St 94110	Provide emergency shelter for battered women and their children.	\$20,000
16 . Swords to Plowshares Veterans Rights Organization 1060 Howard St 94103	Provide counseling and services to homeless and disabled veterans.	\$40,234
17 . Tides Center 1014 Torney Av 94129	Pilot a new program which will provide nonprofit agencies with staffing, recruitment and training support	\$122,361
18 . United Council of Human Services 2111 Jennings St 94124	Provide basic food bags and clothing distribution, hot meals, and referral to homeless and at risk individuals and families in the Bayview District.	\$96,000
19 . Friendship House Association 2111 Jennings St 94124	Provide temporary shelter in a clean and sober environment for homeless American Indians.	\$30,000
	TOTAL ESG	\$938,557

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Item 5 - File 05-0599

Department: Mayor's Office of Housing (MOH)

Item: Resolution (a) authorizing the Mayor to accept and expend a grant from the U.S. Department of Housing and Urban Development (HUD) and Program Income of \$10,804,442 for the FY 2005-2006 Home Investment Partnership (HOME) Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, and (b) approving the HOME Program description as described in the FY 2005-2006 Action Plan for San Francisco's Consolidated Plan.

Amount: Not to exceed \$10,804,442.

Source of Funds: Federal Department of Housing and Urban Development (HUD)

Program: HOME Program

Grant Period: July 1, 2005 through June 30, 2006

Description: Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625) authorizes the HOME Program, which provides funds for the acquisition, rehabilitation, and development of privately owned affordable housing.

HUD requires that the City (a) develop a five-year Consolidated Plan for the HOME Program and Community Development Block Grant (CDBG) Program¹, and (b) submit a one-year Action Plan identifying proposed HOME and CDBG Program expenditures for the year. The City's Consolidated Plan, previously approved by the Board of Supervisors, is effective for the period from July 1, 2000 through June 30, 2005. According to Ms. Lori Bamberger of MOH, MOH and MOCD are currently in the process of completing the City's five-year Consolidated Plan for the HOME Program and CDBG Program, which will be effective from July 1, 2005 through June 30, 2010.

¹ File 05-0598 of this report contains details of the CDBG Program.

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MOCD and MOH will submit the FY 2005-2006 Action Plan, which contains the City's expenditure plan in FY 2005-2006 for CDBG, the Emergency Shelter Grant Program (ESGP)², and HOME Program funds, to HUD prior to May 13, 2005, upon Board of Supervisors approval of the three programs.

The Board of Supervisors previously approved procedures for allocating HOME Program funds in August of 1992 (File 68-92-4.1). The Board of Supervisors revised the procedures in February of 1994 (File 68-94-7) and in December of 2002 (File 02-1920). These procedures outlined broad criteria and the process for allocating the HOME Program funds, including notification procedures to interested parties on the availability of housing funds, evaluation of funding proposals, and criteria for underwriting housing loans. Projects eligible for HOME Program funding are defined as follows:

- (a) Construction of new housing units or rehabilitation of existing housing units, which will be owned and managed by the applicant for HOME Program funding, and which will be occupied by households with incomes that do not exceed 60 percent, or \$57,000, of the median income of \$95,000 for a family of four in the San Francisco metropolitan area, established by HUD; or
- (b) First-time home ownership assistance for low-income persons with household incomes that do not exceed 80 percent, or \$76,000, of the median income of \$95,000 for a family of four in the San Francisco metropolitan area, established by HUD.

Budget:

The MOH anticipates receiving \$8,463,890 in FY 2005-2006 HOME Program entitlement, which is \$340,535, or approximately 3.9 percent, less than the FY 2004-2005 allocation of \$8,804,425. The proposed FY 2005-2006 budget for the HOME Program allocation from HUD is as follows:

² File 05-0600 of this report contains details of the ESGP.

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Source of Funds

FY 2005-2006 HOME Program

FY 2005-2006 HOME Program Entitlement	\$8,463,890
Reprogrammed	1,555,057
Program Income	520,665
American Dream Downpayment Initiative (ADDI) ³	<u>264,830</u>

Total Sources \$10,804,442

Uses of Funds

HOME Program projects

Senior Rental Housing Development	\$6,086,764
Supportive Housing for Chronically Homeless	2,822,353
Family Rental Housing Development	<u>520,665</u>
<i>Subtotal, HOME Program projects</i>	\$9,429,782

Tenant Services

Mission Development Housing Corporation	\$50,000
Tenderloin Neighborhood Development Corporation	50,000
Chinatown Community Development Center	<u>50,000</u>
<i>Subtotal, Tenant Services</i>	\$150,000

Supportive Housing

Catholic Charities	\$50,000
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Homeownership (ADDI) \$264,830

Program Administration \$909,830

Total Uses \$10,804,442

Required Match: \$1,838,515, or 25 percent, of the proposed \$7,354,060 HOME Program grant funds, which equals HOME Program grant funds allocated to direct housing development costs less administrative, tenant services, and supportive housing costs (\$8,463,890 less \$909,830 in administrative costs, \$150,000 in tenant services costs and \$50,000 in supportive housing costs). Mr. Joel Lipski

³ According to Ms. Bamberger, the ADDI is a sub-program under the HOME grant, and receives a separate entitlement allocation. The ADDI began on November 29, 2004 and assists individuals and families earning a maximum of 80% of the medium income in attaining homeownership. The program provides down payment and closing costs assistance, and is used to leverage and expand the City's other homeownership assistance programs.

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of MOH states that matching funds are available from the Hotel Tax Fund, which are specifically allocated to housing programs and are subject to Board of Supervisors appropriation approval.

Comments:

1. As noted in the Table above, the MOH proposes to spend \$9,429,782 on Housing Development projects as follows:
 - (a) \$6,086,764 for design and construction costs for the Geary St. Senior Housing project, 120 senior housing units located at 3575 Geary Street;
 - (b) \$2,822,353 for pre-construction planning and design costs and some construction costs for new supportive housing for the chronically homeless, consisting of 140 units of housing for homeless single persons at 275 10th Street and 81 units of housing for homeless families, located at 650 Eddy Street.
 - (c) \$520,665, which provides partial funding for the construction of 93 units of family rental housing, located at 18th and Alabama Streets. 30 units of housing will be for homeless families, and the remaining 63 units of housing will be for low and very low income families. According to Mr. Lipski, total funding for the subject project for FY 2005-2006 is approximately \$7,111,858 million, of which approximately \$6,025,205 million is funded by the Affordable Housing fund, approximately \$565,988 is funded by repayment of loans provided under the Proposition A program, and \$520,665 is the subject of this report.
2. Mr. Lipski states that total estimated FY 2005-2006 Housing Development Funds for privately-owned housing development projects is approximately \$29,600,000, of which \$9,429,782 are funded by the FY 2005-2006 HOME Program entitlement, as noted in the table above.
3. MOH has allocated \$50,000 each, for a total of \$150,000, to three non-profit organizations, the Mission Housing Development Corporation, the Tenderloin Neighborhood Development Corporation, and the

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Chinatown Community Development Center, to provide tenant support services. This allocation of \$150,000 is unchanged from FY 2003-2004 and FY 2004-2005, as \$50,000 for each community housing development organization is the maximum amount permitted by the HOME Program, and three non-profit organizations are proposed for funding. Mr. Lipski states that these allocations, totaling \$150,000, will fund provision of tenant support services, such as eviction prevention services, in designated properties.

4. In the FY 2004-2005 HOME Program, the Finance and Audits Committee reserved \$50,000 in tenant support services funding for the Mission Housing Development Corporation, pending an audit by the Controller. Therefore, the Budget Analyst recommends reserving the proposed FY 2005-2006 allocation to the Mission Housing Development Corporation, pending an audit by the Controller, for an additional reserve amount of \$50,000.

5. MOH has allocated \$50,000 for tenant-based rental assistance, which is provided by Catholic Charities' Homestretch Homelessness Prevention Program, to assist low-income tenants in avoiding eviction. This allocation of \$50,000 is unchanged from FY 2003-2004 and FY 2004-2005.

6. MOH has allocated \$889,830 for MOH administrative costs for the HOME Program and \$20,000 for administrative costs of the Homestretch Homelessness Prevention Program operated by Catholic Charities, for total administrative costs of \$909,830. MOH HOME Program administrative costs are summarized in the following table:

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	Approved FY 2004-2005 MOH HOME Administration	Proposed FY 2005-2006 MOH HOME Administration	Increase/ (Decrease)	Percent Increase/ (Decrease)
Salaries and Benefits	\$628,428	\$612,226	(\$16,202)	(2.6%)
Operating Costs	150,650	227,854	\$77,204	51.2%
Professional Services	<u>90,000</u>	<u>49,750</u>	<u>(\$40,250)</u>	<u>(44.7%)</u>
Subtotal	869,078	889,830	\$20,752	2.4%
Other Administration	<u>20,000</u>	<u>20,000</u>	<u>\$0</u>	<u>0%</u>
Total	\$889,078	\$909,830	\$20,752	2.3%

7. As discussed in File 05-0558 of the Budget Analyst's report to the April 14, 2005 Budget and Finance Committee, the Budget Analyst is recommending reductions in MOH Administration, which are jointly funded by CDBG and HOME funds. The recommended reduction in HOME funds of \$10,025 is as follows:

- \$3,475 in HOME monies, resulting from the recommended disapproval of the proposed upward classification of one 9774 Senior Community Development I position to one 9775 Senior Community Development II position, with salary and fringe benefit costs of \$6,866 (\$3,475 in HOME funds and \$3,391 in CDBG funds).
- \$6,550 in HOME monies, resulting from recommended reductions in membership fees, postage, printing, and office supplies.

The recommended reduction of \$10,025 (\$3,475 plus \$6,550) in HOME funds should be reserved, pending submission of budget details to the Budget and Finance Committee.

8. As discussed in File 05-0558 of the Budget Analyst's report of April 14, 2005 to the Budget and Finance Committee, the Budget Analyst recommends reserving \$50,000 in HOME funds for the proposed MOH information system application development budget, pending definition of the scope of work and budget details. The total recommended reserve is \$200,000, which

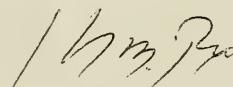
Memo to Budget and Finance Committee
April 14, 2005 Budget and Finance Committee Meeting

includes \$150,000 in CDBG funds and \$50,000 in HOME funds.

Recommendations:

1. Reduce and reserve \$10,025* from the FY 2005-2006 MOH HOME Program Administrative budget (\$3,475 plus \$6,550), in accordance with Comment No. 7 above.
2. Reserve \$50,000 from the FY 2005-2006 MOH HOME Program Administrative budget in accordance with Comment No. 8 above.
3. Approve \$10,794,417* for the HOME Investment Partnership Program.

* \$10,025 recommended for reduction and reserve plus \$10,794,417 recommended for approval for a total of \$10,804,442.



Harvey M. Rose

cc: Supervisor Ammiano
Supervisor Daly
Supervisor Elsbernd
Supervisor Ma
Supervisor McGoldrick
President Peskin
Supervisor Alioto-Pier
Supervisor Dufty
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Clerk of the Board
Controller
Erin McGrath
Ted Lakey
Cheryl Adams



City and County of San Francisco

Meeting Agenda

Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

Clerk: Gail Johnson

Thursday, April 21, 2005

1:00 PM

City Hall, Legislative Chamber, Room 250

Regular Meeting

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AGENDA CHANGES

REGULAR AGENDA

1. 050307 [Budget Updates]
Supervisor Ammiano
Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Office of Legislative Analyst and City Departments.

2/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
3/17/05, CONTINUED. Heard in Committee. Speakers: Noelle Simmons, Mayor's Budget Office; Ken Bruce, Budget Analyst's Office.
Continued to March 24, 2005.
3/24/05, CONTINUED. Heard in Committee. Speaker: Monique Zmuda, Deputy Controller.
Continued to March 31, 2005.
3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None.
4/7/05, CONTINUED. Heard in Committee. Speakers: Andrew Murray, Office of the Legislative Analyst, Ernestine Weiss.
Continued to April 14, 2005.
4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.
Continued to April 21, 2005.

2. 050503 [Police and Sheriff Fiscal Year 2005-2006 Budget]

Supervisor Ammiano

Hearing for the Police and Sheriff's Departments to provide a policy and performance based overview of their current year budget and proposed FY 2005-2006 budget submission to the Mayor.

3/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee. Sponsor requests this item be scheduled for consideration at the April 21, 2005 meeting.

ADJOURNMENT**IMPORTANT INFORMATION**

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050602 [Recreation and Park - S.F. Small Craft Harbor Fees]

Supervisor Alioto-Pier

Ordinance making environmental findings and amending the San Francisco Park Code by repealing Section 12.11 and adopting a new Section 12.11 to increase current fees and add additional rental and services fees at the San Francisco Small Craft Harbor.

4/5/05, ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/5/2005.



City and County of San Francisco

Meeting Agenda

Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Clerk: Gail Johnson

Thursday, April 28, 2005

1:00 PM

City Hall, Legislative Chamber, Room 250

Regular Meeting

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DOCUMENTS DEPT.

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APR 22 2005

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SAN FRANCISCO
PUBLIC LIBRARY

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Continued to March 31, 2005.
3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None.
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Continued to April 14, 2005.
4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.
Continued to April 21, 2005.
4/21/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Noelle Simmons, Mayor's Budget Office

2. 050695 [Adoption of Board of Supervisors' 2005 Budget Process and Policy Priorities]
Supervisor Ammiano
Resolution adopting the San Francisco Board of Supervisors' 2005 Budget Process and Policy Priorities.

4/19/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

ADJOURNMENT

IMPORTANT INFORMATION

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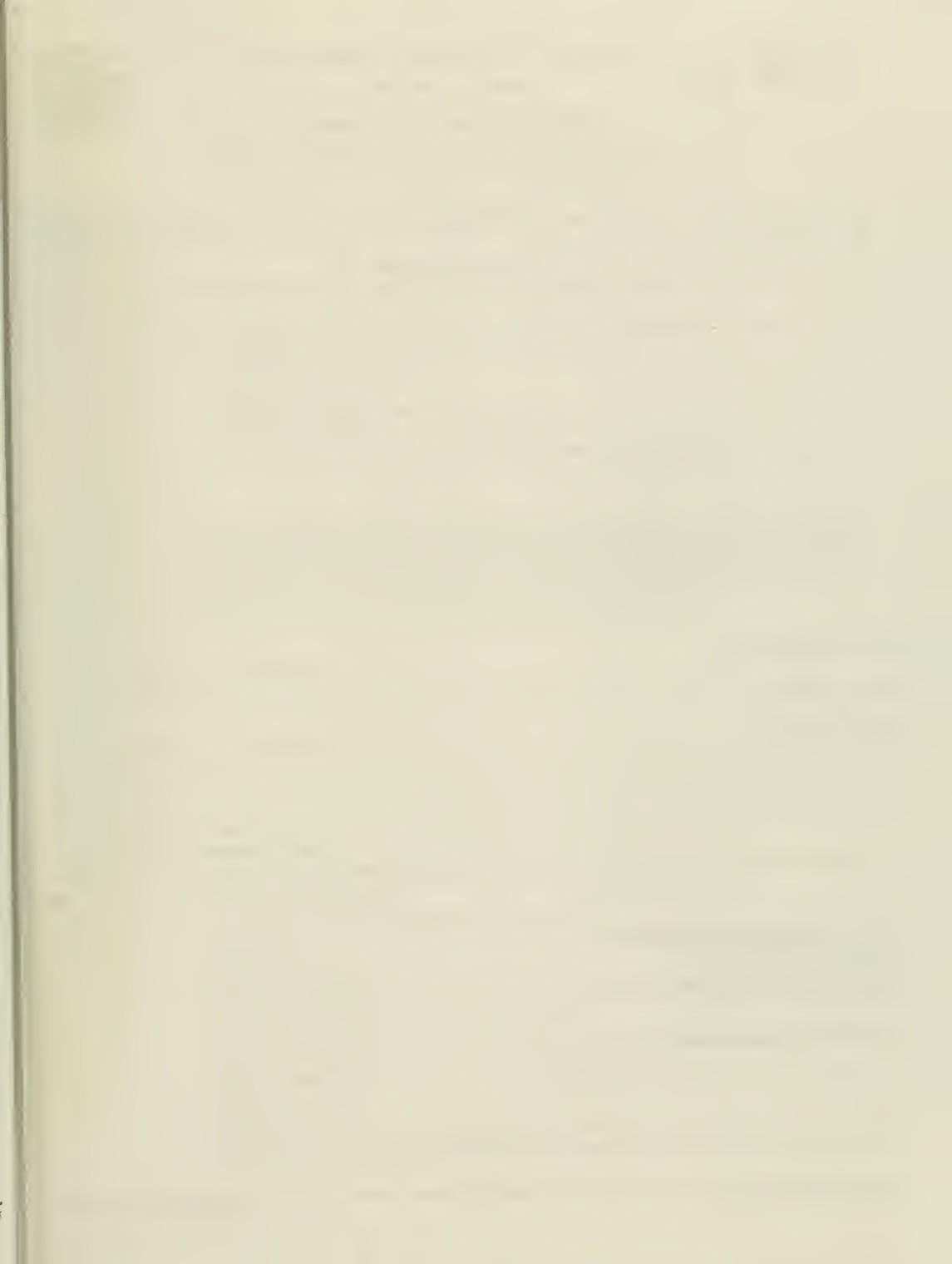
Know Your Rights Under the Sunshine Ordinance

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**BUDGET AND FINANCE COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689**

IMPORTANT HEARING NOTICE!!!



City and County of San Francisco

Meeting Agenda

≡Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

Clerk: Gail Johnson

Thursday, May 05, 2005

1:00 PM

City Hall, Room 263

Regular Meeting

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08
5/5
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AGENDA CHANGES

DOCUMENTS DEPT.

APR 29 2005

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SAN FRANCISCO
PUBLIC LIBRARY

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3/24/05, CONTINUED. Heard in Committee. Speaker: Monique Zmuda, Deputy Controller.
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3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None
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Continued to April 14, 2005.
4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.
Continued to April 21, 2005.
4/21/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee Speaker Noelle Simmons, Mayor's Budget Office.
4/28/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee Speaker Ben Rosenfield, Mayor's Budget Office.

2. 050746 [Mayor's 2005 Enterprise Budget Submission]**Supervisor Ammiano**

Hearing to review the Mayor's Budget Office overview of the Mayor's 2005 Enterprise Budget submission.

4/26/05, RECEIVED AND ASSIGNED to Budget and Finance Committee. Sponsor requests this item be scheduled for consideration at the May 5, 2005 meeting.

3. 050749 [2005 CCSF's Nine-month Report]**Supervisor Ammiano**

Hearing to review the 2005 City and County of San Francisco's Nine-month Report.

4/26/05, RECEIVED AND ASSIGNED to Budget and Finance Committee. Sponsor requests this item be scheduled for consideration at the May 5, 2005 meeting.

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050740 [Fees for Findings of Fact in Assessment Appeals]**Supervisor Peskin**

Ordinance (1) amending Section 2B.11 of the San Francisco Administrative Code to (a) replace the existing fee schedule for preparation of written findings of fact in assessment appeals with a fee that recovers the costs attributable to the preparation and issuance of findings by the Assessment Appeals Board, (2) making findings relative to the City's costs of preparing written findings of fact in assessment appeals, and (3) making findings pursuant to the California Environmental Quality Act, Public Resources Code Section 21080(b)(8)(A), that the fees for written findings are not a "project" and that such fees are imposed for the purpose of meeting operating expenses, including employee wage rates, fringe benefits and other direct and indirect overhead charges attributable to the preparation and issuance of such findings.

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**BUDGET AND FINANCE COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689**

IMPORTANT HEARING NOTICE!!!

[Budget Analyst Report]
SF Public Library #41
Govt. Information Center, 5th Flr.
ATTN: Michael Sherrod-Flores

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

April 29, 2005

TO: ☷Budget and Finance Committee

FROM: ☷Budget Analyst

SUBJECT: May 5, 2005 Budget and Finance Committee Meeting

DOCUMENTS DEPT.

MAY - 3 2005

Item 2 - File 05-0350

SAN FRANCISCO
PUBLIC LIBRARY

Departments: Department of Building Inspection (DBI)
Real Estate Division (RED)

Item: Ordinance appropriating \$300,000 from the Residential Preservation Fund Account, within the Building Inspection Fund's Repair and Demolition subfund, to pay for litigation fees associated with the defense of the Residential Hotel Unit Conversion and Demolition Ordinance for Fiscal Year 2004-2005.

Amount: \$300,000

Description: Approval of the proposed ordinance would authorize \$300,000 in expenditures to be made from the Residential Hotel Preservation Fund in FY 2004-2005 for the costs of defense of the Residential Hotel Unit Conversion and Demolition Ordinance.

In March of 2005, the Board of Supervisors approved an amendment to the Residential Hotel

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

Conversion and Demolition Ordinance (File No. 05-0133) which authorized usage of the Residential Hotel Preservation Fund for expenditures for the defense of the Residential Hotel Conversion and Demolition Ordinance. According to Ms. Diane Lim of the Department of Building Inspection (DBI), prior to the approval of such amendment, DBI charged all expenditures for legal defense of the Residential Hotel Unit Conversion and Demolition Ordinance to DBI's Building Inspection Fund.

Comments:

1. According to Ms. Marisa Moret of the City Attorney's Office, there is a legal challenge to the Residential Hotel Unit Conversion and Demolition Ordinance by San Remo Hotel LP. Ms. Moret advises that oral arguments were heard by the United States Supreme Court on March 28, 2005. Ms. Moret further advises that the name of the case is *San Remo Hotel LP vs. City and County of San Francisco, et al.*, (Case No. 04-340). According to Ms. Moret, the invoiced costs of outside legal counsel for the *San Remo* case from January 1, 2005, through April 22, 2005, are \$270,000. Additionally, Ms. Moret advises that costs for outside legal counsel on the *San Remo* case will not increase above \$270,000.

Ms. Moret advises that City Attorney's costs for defense of the Residential Hotel Conversion and Demolition Ordinance, as shown in the attachment, are \$16,680 from January 1, 2005, through April 22, 2005. Ms. Moret further advises that these costs are expected to increase, but not exceed, a total of \$30,000, by June 30, 2005.

According to Ms. Moret, total costs for defense of Residential Hotel Unit Conversion and Demolition Ordinance in the final six months of FY 2004-2005, from January 1 to June 30, are estimated to be, and not to exceed, \$300,000 (\$270,000 for outside counsel on the *San Remo* case plus no more than \$30,000 for City Attorney's costs).

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

2. According to Mr. Todd Rydstrom of the Controller's Office, as of February 2, 2005, the Residential Hotel Preservation Fund has a current balance of \$1,187,684 available for appropriation.¹ Mr. Rydstrom states that no expenses have been charged against the Residential Hotel Preservation Fund since February 2, 2005.

Ms. Diane Lim of the Department of Building Inspection (DBI) advises that DBI has not charged any expenditures against the Residential Hotel Preservation Fund since the Fund was created.

3. Ms. Judy Boyajian of the City Attorney's Office advises that City Administrative Code Section 41.13 of the Residential Hotel Unit Conversion and Demolition Ordinance requires that residential hotel owners or operators seeking to a) convert residential hotel units to tourist hotel units or b) demolish residential hotel units must either 1) provide one-for-one replacement of such residential hotel units or 2) pay the City or a nonprofit organization an amount equal to 80 percent of the cost of new construction of an equal number of comparable residential hotel units plus site acquisition costs (land). In the event that the nonprofit organization is unable to complete construction of replacement housing, the nonprofit organization must pay the balance of any unexpended monies received from the residential hotel owner or operator to the City. According to Ms. Boyajian, all such payments made to the City accrue to the Residential Hotel Preservation Fund.

Administrative Code Section 41.13(a)(4) states that the Real Estate Division (RED) of the Administrative Services Department shall determine the amount (based on 80 percent of the cost of new construction of an equal number of comparable residential hotel units plus site

¹ Mr. Rydstrom further advises that the actual cash balance of the Residential Hotel Preservation Fund as of February 2, 2005, was \$2,721,210. According to Mr. Rydstrom, \$1,533,526 was on reserve, including a) \$1,500,000 that was placed on reserve in the FY 2003-2004 Budget for appropriation to the Department of Human Services (\$1,200,000) and the Department of Public Health (\$300,000), for the purpose of providing affordable rental housing, and b) an additional \$33,526 that had been carried over from a reserve made on the Fund in a budget prior to FY 2000-2001.

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

acquisition costs) to be paid, by residential hotel owners or operators seeking to convert residential hotel units to tourist hotel units. Such RED determination is based on obtaining two independent appraisals of the cost for new construction of the number of units to be converted and the related site acquisition costs.

4. Ms. Martie Moore of the City Attorney's Office has provided the following cost data for the expenditures incurred for the legal defense of the Residential Hotel Unit Conversion and Demolition Ordinance for the past three fiscal years and for the first six months of Fiscal Year 2004-2005:

Legal Defense Costs of the Residential Hotel Unit Conversion and Demolition Ordinance			
FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2004-2005 (through 12/31/04)
\$58,403	\$28,050	\$52,257	\$58,306
TOTAL			\$197,016

Ms. Lim advises that the above legal costs of \$197,016, from July 1, 2001, through December 31, 2004, have been paid from DBI's Building Inspection Fund. Ms. Lim further advises that the above legal costs were incurred prior to the Board of Supervisor approval of the amendment to the Residential Hotel Unit Conversion and Demolition Ordinance in March of 2005.

5. Ms. Moret states that the cost of legal defense in future years of the Residential Hotel Unit Conversion and Demolition Ordinance are dependent on the outcome of the current case before the United States Supreme Court, which is due in June of 2005, and therefore cannot be determined at this time.

6. According to Mr. Ted Lakey of the City Attorney's Office, expenditures from the Residential Hotel Preservation Fund require appropriation approval by the Board of Supervisors.

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Recommendation: Approval of the proposed ordinance means that the Board of Supervisors agrees to authorize \$300,000 in expenditures to be made from the Residential Hotel Preservation Fund for legal defense of the Residential Hotel Conversion and Demolition Ordinance in the last six months of FY 2004-2005, resulting in a decrease of the balance from \$1,187,684 to \$887,684.

Disapproval of the proposed ordinance means that the Board of Supervisors does not agree to authorize \$300,000 in expenditures to be made from the Residential Hotel Preservation Fund for legal defense of the Residential Hotel Conversion and Demolition Ordinance in the last six months of FY 2004-2005.

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City Attorney Billing to DBI
 Hotel Conversion Ordinance Litigation in Defense of Ordinance
 Litigation and Advice re: Enforcement of Ordinance

From	To	File No	File Name	7/1/00-6/30/01	7/1/01-6/30/02	7/1/02-6/30/03	7/1/03-6/30/04	7/1/04-12/31/04	1/1/05 to 4/22/05	Totals
07/01/96 01/06/03 940170	Harsch		\$ 2,577.55	\$ 18,865.54	\$ 9,019.24	\$ -	\$ -	\$ -	\$ -	\$ 30,462.33
07/09/96 01/29/03 940168	Harsch		\$ 566.38	\$ 696.27	\$ 145.50	\$ -	\$ -	\$ -	\$ -	\$ 1,408.15
01/28/00 05/09/02 961532	Harsch		\$ 7,184.53	\$ 3,564.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,749.49
07/01/96 02/08/05 930209	San Remo		\$ 6,085.37	\$ 8,428.29	\$ 13,129.85	\$ 24,691.61	\$ 34,316.57	\$ 10,405.37	\$ 97,057.96	
11/22/96 03/10/04 961583	San Remo		\$ 79,091.57	\$ 26,847.95	\$ 190.00	\$ 661.25	\$ -	\$ -	\$ -	\$ 106,790.77
02/11/03 10/16/03 031123	Reidy		\$ -	\$ -	\$ 5,565.08	\$ 1,364.38	\$ -	\$ -	\$ -	\$ 6,929.46
10/23/03 01/24/05 040572	Reidy		\$ -	\$ -	\$ -	\$ 25,295.40	\$ 11,052.78	\$ 3,586.13	\$ 39,934.31	
06/21/04 01/24/05 041764	McDermott		\$ -	\$ -	\$ -	\$ 244.50	\$ 12,937.00	\$ 2,688.00	\$ 15,899.50	
			\$ 95,505.40	\$ 58,403.01	\$ 28,049.67	\$ 52,257.14	\$ 58,306.35	\$ 16,679.50	\$ 309,201.07	
Total for Defense of Ordinance:										

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Items 4, 5, 6 and 7 - Files 05-0676, 05-0694, 05-0681 and 05-0735

Departments: Public Library
Office of Public Finance

Items: **Item 4 - File 05-0676:** Resolution authorizing the San Francisco Public Library to accept and expend \$5,958,841 from the State Office of Library Construction from funds made available under the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 for the renovation and expansion of the Richmond/Senator Milton Marks Branch Library.

Item 5 - File 05-0694: Resolution authorizing the San Francisco Public Library to accept and expend \$3,751,943 from the State Office of Library Construction from funds made available under the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 for the construction of the new Ingleside Branch Library.

Item 6 - File 05-0681: Resolution authorizing and directing the sale of not to exceed \$45,000,000 (see Comment No. 3) of Branch Library Facilities Improvement Bonds, 2000, Series 2005G; prescribing the form and terms of said bonds, authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale and notice of intention to sell the bonds; directing the publication of the notice of intention to sell the bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.

Item 7 - File 05-0735: Ordinance to appropriate and place on reserve \$35,801,823 of bond sale proceeds from the sale of the 2000 Branch Library Improvement

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Program Bond- 3rd Series to fund the improvement and construction of the San Francisco Public Library facilities.

Amounts and File 05-0676

Sources of Funds: \$5,958,841 State Office of Library Construction, California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000

File 05-0694

\$3,751,943 State Office of Library Construction, California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000

Files 05-0681 and 05-0735

\$34,000,000	Branch Library Facilities Improvement Bonds, 2000, Series 2005G
509,973	Interest earnings from Branch Library Facilities Improvement Bonds, 2000, Series 2001E
1,163,508	Interest earnings from Branch Library Facilities Improvement Bonds, 2000, Series 2002B
<u>128,342</u>	Rental income from Visitacion Valley and Support Service Center
<u>\$35,801,823</u>	Subtotal
 \$45,512,607	 Total

Description: On November 7, 2000, the voters of San Francisco approved \$105,865,000 of General Obligation Branch Library Facilities Improvement Bonds, 2000 (Proposition A) for the acquisition, renovation and construction of Branch Libraries. The Branch Library Facilities Improvement Program includes the renovation of 19 Branch Libraries, the construction of five new Branch Libraries¹ and a new Support Services Center, as shown in Attachment I. On July 12, 2001, the City issued the

¹ Four of the five new Branch Libraries will replace existing Branch Libraries which previously operated in leased space. The fifth Branch Library, in Mission Bay, will be a new Branch Library in a new neighborhood.

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first series of bonds on behalf of the San Francisco Public Library in an amount of \$17,665,000 and on October 1, 2002, the City issued the second series in an amount of \$23,135,000. To date, a total of \$40,800,000 of the total \$105,865,000 2000 Branch Library Facilities Improvement Bonds have been sold and appropriated, leaving a remaining balance of \$65,065,000.

The Public Library is requesting the authorization to sell \$34,000,000 (See Comment No. 3) of the remaining \$65,065,000 2000 Branch Library Facilities Improvement Bonds (File 05-0681), which would leave a remaining balance of \$31,065,000 of unsold Bonds. The proposed ordinance (File 05-0735) would appropriate (a) this \$34,000,000 of Bond proceeds, (b) the interest earnings of \$509,973 and \$1,163,508 that have accrued from the past two 2000 Branch Library Facility Improvement Bond sales in 2001 and 2002, and (c) \$128,342 of rental income from the tenants that rented the Visitacion Valley and Support Service Center after these properties were purchased by the Public Library, for a total appropriation of \$35,801,823.

In addition to the \$105,865,000 from the 2000 Library Facilities Improvement Bonds, the Public Library anticipates receiving \$28,900,000 of other funds, for a total of \$134,765,000 for the Branch Library Improvement Program, as shown in Attachment II, provided by Ms. Marilyn Thompson of the Public Library. The \$28,900,000 of other funds includes approximately \$10,000,000 of State grants (See Comments 2 and 3), \$16,000,000 of private donations (See Comment No. 4), \$2,400,000 of Earthquake Safety Bond Program funds (See Comment No. 5), and \$500,000 of Library Preservation Funds (See Comment No. 6). Regarding the anticipated \$10,000,000 of State grant funds, the proposed two resolutions (File 05-0676 and File 05-0694) would authorize the Public Library to accept and expend a total of \$9,710,784 of State grants, including \$5,958,841 that would be expended for the renovation and expansion of the Richmond/Senator Milton Marks Branch Library (File 05-0676) and \$3,751,943 that would be expended for the construction of the new Ingleside Branch Library (File 05-0694).

**General Provisions And
Sources and Uses of General
Obligation Bonds and Debt Service
Requirements:**

According to Ms. Nadia Sesay, of the Office of Public Finance, the Branch Library Facilities Improvement Bonds, 2000, Series 2005G in an amount of \$34,000,000 would be sold on or about May 24, 2005. The general provisions in the proposed resolution (File 05-0681) regarding the proposed sale of the Branch Library Facilities Improvement Bonds, 2000, Series 2005G are listed in Attachment III, which was prepared by the Budget Analyst based on information submitted by Ms. Sesay. The sources and uses of these funds are as follows:

Sources:

Bond Proceeds	\$34,000,000
Reoffering Premium ²	<u>2,438.105</u>
Total Sources	\$36,438,105

Uses:

Deposit to Project Account	\$33,932,054
Deposit to Series Bond Account ³	2,066,168
Bond Issuance Costs	67,946
Bond Insurance Premium ⁴	201,937
Underwriter's Discount ⁵	170,000
Total Uses	\$36,438,105

Bond Issuance Costs: The total estimated bond issuance costs, including fees for outside bond counsel, financial advisors, rating agency advisors, financial printing, advertising and the services of the Office of Public Finance, Treasurer's Office, Controller's Office, and the City Attorney are \$67,946, or approximately 0.20 percent of the total value of the bonds to be sold in the amount of \$34,000,000.

² The Reoffering Premium is the amount by which the purchase price of the bonds exceeds the principal amount of the bonds. This purchase amount is determined by demand and supply in the secondary market for the bonds.

³ The Deposit to Series Bond Account is a portion of the Reoffering Premium to be used to pay debt service.

⁴ The Bond Insurance Premium is an optional policy acquired by the purchaser of the bonds to insure the timely payment of principal and interest to the bondholders.

⁵ The Underwriter's Discount is paid out of the original issue premium. This amount is paid to the Underwriter for services rendered in selling the bonds.

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Interest Rate and Debt Service: Mr. Todd Rydstrom of the Controller's Office advises that based on current market conditions the overall effective interest rate on the bonds is projected to be approximately 4.890 percent. The proposed sale of the bonds in the amount of \$34,000,000 would result in a total debt service on the bonds (from June 7, 2005 through June 30, 2025) of approximately \$57,696,349, including the principal amount of \$34,000,000 and interest of \$23,696,349, resulting in an estimated average annual debt service expense over the estimated 20-year life of the bonds of \$2,884,817.

**Property Tax Rate
And Debt Capacity**

Impacts: **Property Tax Rate:** According to Mr. Rydstrom, the proposed sale of Branch Library Facilities Improvement Bonds, 2000, Series 2005G, in the amount of \$34,000,000 would result in an increase in the Property Tax rate of approximately \$0.00278829 per \$100 of assessed value. At that incremental property tax rate, the owner of a single-family residence assessed at \$500,000, after deducting \$7,000 for the homeowners exemption would pay approximately \$13.75 per year in additional Property Taxes annually due to the sale of these bonds.

Debt Capacity: The City's General Obligation Bond debt capacity is limited under Section 9.106 of the City Charter to three percent of the City's net assessed property value. The City's total General Obligation debt capacity is currently \$3,134,138,636 or three percent of the City's estimated net assessed property valuation of \$104,471,287,868 for FY 2004-2005. As of April 1, 2005, the City had \$921,625,000 in outstanding General Obligation bonds. Based on this outstanding principal amount and without consideration of other bond issuances between April 1, 2005 and the date of issuance of subject bonds, if the proposed Branch Library Improvement Program Bonds are issued in the amount of \$34,000,000, the City will have \$955,625,000 in GO bonds outstanding, with \$2,178,513,634 of the \$3,134,138,634 debt capacity remaining.

Comments: 1. In March of 2000, the voters of California approved Proposition 14, The California Reading and Literacy

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Improvement and Public Library Construction and Renovation Bond Act of 2000 to provide State matching grants to qualifying public library construction and renovation projects, on a State-wide competitive basis. In FY 2003-2004, the Board of Supervisors authorized the Public Library to apply for Proposition 14 State Public Library grant funds for five Branch Library renovation and construction projects, including the Ingleside, Richmond, Portola, Visitacion Valley and Ortega Branch Libraries.

On November 29, 2004 the California Public Library Construction and Renovation Board awarded \$5,958,841 of Proposition 14 State grant funds for renovation and expansion of the Richmond/Senator Milton Marks Branch Library. The Richmond/Senator Milton Marks Branch Library is located at 351 9th Avenue, near Clement Street. This \$5,958,841 State grant award requires local matching funds of \$3,208,606, or total eligible project costs of \$9,167,447. The project budget, as shown in Attachment II, is \$9,022,642, which is \$600,910 more than the amount reflected in the grant award for capital costs due to ineligible costs and varying inflationary cost adjustments. The \$3,208,606 required local matching funds will be funded with \$2,947,606 from the Earthquake Safety Bond Program 1 and 2 funds (see Comment No. 5), the 2000 Library Facilities Improvement Bond funds and \$261,000 of private donations.

2. On November 29, 2004 the California Public Library Construction and Renovation Board also awarded \$3,751,943 of Proposition 14 State grant funds for construction of a new Ingleside Branch Library. The new Ingleside Branch Library will be located at 1298 Ocean Avenue, near Plymouth Avenue. This \$3,751,943 State grant award requires local matching funds of \$2,020,277, or total eligible project costs of \$5,772,220. The project budget, as shown in Attachment II, is \$5,751,855 which is \$420,267 more than the amount reflected in the grant award for capital costs due to ineligible costs and varying inflationary cost adjustments. The \$2,020,277 required local matching funds will be funded with \$1,865,277 of 2000 Library Facilities Improvement Bonds, under the

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proposed appropriation, and \$155,000 of private donations.

3. The proposed resolution (File 05-0681) would authorize the sale of an amount not to exceed \$45,000,000 of the Branch Library Facilities Improvement Bonds, 2000, Series 2005G. However, as noted above, the Public Library is actually requesting that up to \$34,000,000 of such General Obligation bonds be sold at this time. Therefore, the proposed resolution should be amended to reflect that \$34,000,000, instead of \$45,000,000, would be authorized to be sold.

4. As shown in Attachment II, as part of the total \$134,765,000 Branch Library Improvement Program, \$16,000,000 of private donations are anticipated to be received. Ms. Thompson advises that the \$16,000,000 in private donations will be used for the furnishings, fixtures and equipment for the Branch Libraries, which cannot be funded with the General Obligation Bond funds. Ms. Thompson advises that the Friends of the Library have provided Letters of Credit totaling \$886,000 to date, and have made a commitment to the Library Commission to raising the entire \$16,000,000. According Ms. Thompson, the Friends of the Library currently have endowments in excess of \$16,000,000.

5. As shown in Attachment II, as part of the total \$134,765,000 Branch Library Improvement Program, \$2,400,000 of Earthquake Safety Bond Program 1 and 2 funds would be used as a source of funds. Ms. Thompson advises that the entire \$2,400,000 has been appropriated to the Richmond/Senator Milton Marks Branch Library and will be used as a portion of the local matching funds for the subject grant award (File 05-0676). According to Ms. Thompson, approximately \$1,100,000 of the \$2,400,000 Earthquake Safety Bond Program funds have been expended to date for the Richmond/ Senator Milton Marks Branch Library.

6. As shown in Attachment II, \$500,000 of Library Preservation Funds are included as part of the total \$134,765,000 Branch Library lmprovement Program. Ms. Thompson advises that this \$500,000 of Library

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Preservation Funds could not be used for building capital costs, Therefore, this additional \$500,000, which was appropriated by the Board of Supervisors in FY 2003-2004 will be used for interim, relocation and moving expenses, associated with the 2000 Branch Library Improvement Program, which will allow the Library to expand the Parkside Branch by \$500,0000.

7. The proposed appropriation ordinance (File 05-0735) would reserve the entire \$35,801,823, to be released by the Controller's Office pending the completion of the subject General Obligation Branch Library Bond sale and the realization of the bond proceeds (File 05-0681),

- Recommendations:**
1. In accordance with Comment No. 3, amend the proposed resolution (File 05-0681) to authorize the sale of an amount not to exceed \$34,000,000, instead of \$45,000,000 of the Branch Library Facilities Improvement Bonds, 2000, Series 2005G.
 2. Approve the proposed ordinance and resolutions, as amended.

Program Scope of Work

The bond program includes site acquisition and new construction of five branch libraries, and renovation and/or expansion of nineteen branches. Site acquisition and improvements for a new support services center are also included. Renovations will include some or all of the following: seismic strengthening, hazardous material abatement, Americans with Disabilities Act conformance, code compliance, electrical and mechanical upgrades, technology improvements, and reconfiguration of interior spaces for operational and public service improvements.

	Renovation and/or Expansion	Site Acquisition	New Construction
Anza	•		
Bayview	•		
Bernal Heights	•		
Eureka Valley	•		
Excelsior	•		
Glen Park		•	•
Golden Gate	•		
Ingleside		•	•
Marina	•		
Merced	•		
Mission Bay		•	•
Noe Valley	•		
North Beach	•		
Ortega	•		
Park	•		
Parkside	•		
Portola		•	•
Potrero	•		
Presidio	•		
Richmond	•		
Sunset	•		
Visitacion Valley		•	•
West Portal	•		
Western Addition	•		
Support Services Center	•	•	

Attachment E: Fund Program Matrix

Branch	First Bond Sale	Second Bond Sale	Third Bond Sale	Future Bond Sale	Other Sources	Total All Sources
Site Acquisitions & New Construction						
Glen Park	150,000	190,000	4,341,000	-	200,000 (5)	4,881,000
Ingleside		1,943,000	342,277	-	3,466,578 (1)	5,751,855
Mission Bay	3,750,000		207,000	-		3,957,000
Portola		4,388,000		-	430,520 (1)	4,818,520
Vistaclara Valley		3,000,000	2,826,500	-	58,000 (6)	5,826,500
Support Services	8,876,000			-	70,342 (6)	8,946,342
SUBTOTAL	12,776,000	9,521,000	7,716,777	-	4,225,440	34,181,217
Renovations						
Anza			1,350,900	3,152,100		4,503,000
Bayview		18,690	907,250	2,703,060		3,629,000
Bernal Heights		680,000	4,402,500	-		5,082,500
Eureka Valley		535,000	3,816,000	-		4,351,000
Excelsior		3,649,000		-		3,649,000
Golden Gate Valley			1,521,900	3,551,100		5,073,000
Marina	776,125	3,128,375		-		3,904,500
Merced			1,197,000	2,793,000		3,990,000
Noe Valley	1,047,375	1,584,429	1,557,898			4,189,500
North Beach			940,900	2,346,100	476,600 (5)	3,763,600
Ortega		500,000	581,750	2,300,250		3,382,000
Park				1,244,500	65,500 (5)	1,310,000
Parkside	89,600			3,146,400		3,236,000
Potrero	425,000		3,593,500	-		4,018,500
Presidio	136,039			1,317,461	76,500 (5)	1,530,000
Richmond			1,137,606	-	7,885,036 (1) (2)	9,022,642
Sunset		367,148	1,048,352	-	74,500 (5)	1,490,000
West Portal		3,904,500	650,000	-		4,554,500
Western Addition	854,580		2,403,920	-		3,258,500
SUBTOTAL	3,328,719	14,367,142	25,709,274	22,553,971	8,578,136	73,937,242
Program-Wide Services & Costs						
Library Program Costs	300,000	300,000	-	200,000		800,000
Program Consultants	75,000	75,000	-	600,000		750,000
City Program Management	700,000	1,000,000	723,949	2,476,051		4,900,000
Real Estate Dept	235,281			-		235,281
Art Enhancement Program	100,000	202,000				302,000
Program Intern Services			-	253,542	184,858 (4)	438,400
Relocation & Moving Reserve	94,858		0	-	315,142 (4)	410,000
Furniture & Equipment Reserve				-	16,759,170 (3) (1)	16,759,170
Bond Financing Costs	150,000	140,000	450,000	260,000		1,000,000
Program Reserve				2,156,436	349,861 (5)	2,506,297
SUBTOTAL	1,560,281	1,811,858	1,173,949	5,946,029	17,609,031	28,101,748
TOTAL	17,665,000	25,700,000	34,000,000	28,500,000	30,412,607	136,219,607

- (1) Prop. 14 State Grants (\$3,710,784)
- (2) Earthquake Safety Program funds remaining for Branch Libraries (\$2,400,000)
- (3) Private donations from Friends of the Library (\$16,000,000)
- (4) Library Preservation Fund appropriated FY 04/05 (\$500,000)
- (5) Bond Interest Proceeds to date (\$1,673,481)
- (6) Rents received to date (\$128,342)

The general provisions in the resolution regarding the proposed sale of the Branch Library Facilities Improvement Bonds, 2000, Series 2005G, are as follows:

- The sale of the bonds is tentatively scheduled for May 24, 2005;
- The aggregate principal amount of the Series 2005G Branch Library Facilities Improvement General Obligation Bonds, 2000, shall not exceed \$34,000,000;
- The bonds would be sold at an interest rate not to exceed 12 percent per year and would have a final maturity of not later than June 15, 2029 resulting in a maximum bond term of 24 years;
- Property Taxes collected to pay debt service on the bonds would be deposited in a special account, which would be created specifically for this purpose ("The Bond Account");
- An Official Statement describing the proposed bonds is referenced in the proposed resolution and is contained in File 05-0681. The Official Statement would be made available to all potential bidders for the bonds;
- Cost of issuance with respect to the Series 2005G, Branch Library Facilities Improvement Bonds, 2000. (excluding underwriter's discount) shall not exceed two percent of the principal amount;
- The City Treasurer is authorized and directed to appoint one or more depositories as he or she may deem desirable and to appoint one or more agents to serve as paying agent, fiscal agent, rebate calculation agent or escrow agent or registrar for the Series 2005G Bonds. These agents may also assist the City Treasurer in performing any or all of the functions directed by the City Treasurer;
- The Series 2005G Bonds maturing on or after June 15, 2013 are subject to optional redemption prior to their respective maturities.

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Items 8 and 9 - File 05-0680 and 05-0736

- Department:** Recreation and Parks Department (RPD)
Department of Public Works (DPW)
- Items:** **Item 8 – File 05-0680:** A resolution authorizing and directing the sale of not to exceed \$7,505,000 in City and County of San Francisco General Obligation Bonds (Zoo Facilities Bonds, 1997), Series 2005H; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts relating thereto; approving the forms of official notice of sale and notice of intention to sell bonds; directing the publication of the notice of intention to sell bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City Officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds.
- Item 9 – File 05-0736:** Ordinance appropriating, and placing on reserve, \$7,505,000 in General Obligation Bond sale proceeds to fund the acquisition, construction and/or reconstruction of San Francisco Zoo facilities, properties and all other works (as part of 1997 Proposition C) for FY 2004-2005.
- Amount:** Not to exceed \$7,505,000
- Source of Funds:** General Obligation Bond proceeds (Zoo Facilities Improvement Bonds, 1997), Series 2005H.

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Background:

In June of 1997, San Francisco voters approved a \$48,000,000 bond measure for the following types of capital improvements to the San Francisco Zoo which was constructed in the 1930s:

- Replace many animal enclosures with modern zoo habitats,
- Construct new buildings and Zoo facilities, and
- Modernize existing Zoo buildings and structures.

The Zoo is operated by the nonprofit San Francisco Zoological Society, and the City owns the Zoo lands and buildings and is the guardian for the zoo animals. Since the voters approved the issuance of \$48,000,000 in General Obligation Bonds in 1997, the City has issued three series of bonds on behalf of the San Francisco Zoo as summarized below:

Issuance Date	Summary of Project	Amount
June 29, 1999	Education Center Design, Children's Zoo, and a portion of the Repair and Replacement and Renovations	\$16,845,000
June 9, 2000	Art Enrichment, Entry Zoo Street and Restaurant, Madagascar, Carousel and Commons, and a portion of Repair and Replacement and Renovations	17,440,000
October 1, 2002	Africa Savanna, Zoo Support, and a portion of Repair and Replacement and Renovations	6,210,000
	Total	\$40,495,000
	Remaining Amount	\$7,505,000

Source: Information compiled by the Budget Analyst based on information provided by Mr. John Aikin of the San Francisco Zoological Society on behalf of the Department of Recreation and Parks.

The Department of Public Works (DPW) provided design and construction management services, and the DPW and RPD provided program management services for the above listed projects. The San Francisco Zoological Society provided design services and program management services. The execution of projects completed and to be completed using the Zoo bonds is governed by a Memorandum of Understanding between the Recreation and Parks Department (RPD), the Department of Public Works, and the Zoological Society which the parities entered into November, 26, 2002.

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Description:

File No: 05-0736: The subject ordinance would appropriate, and reserve the 4th and last issuance of the 1997 Zoo bond in the amount of \$7,505,000. These funds would be placed on a Controller's reserve pending the sale of the 1997 Zoo bonds.

File No: 05-0680: The General provisions in the resolution regarding the proposed sale of the Zoo Facilities Improvement Bonds, 1997, Series 2005H, are listed in Attachment I of this report, which was prepared by the Budget Analyst based on information submitted by Ms. Nadia Sesay, Director of the Mayor's Office of Public Finance.

**Sources and Uses
Of General Obligation
Bonds and Debt**

Service Requirements: According to Ms. Nadia Sesay, Director of the Mayor's Office of Public Finance, the Zoo Facilities Improvement Bonds, 1997, Series 2005H, in an amount of \$7,505,000 are to be sold on or about May 24, 2005 and the sources and uses are as follows:

Sources:

Bond Proceeds	\$7,505,000
Reoffering Premium ¹	538,215
Total:	\$8,043,215

Uses:

Capital Projects Budget	\$7,490,002
Bond Issuance Costs	14,998
Deposit to Series Bond Account ²	456,105
Bond Insurance Premium	44,585
Underwriter's Discount	37,525 ³
Total:	\$8,043,215

¹ According to Ms. Sesay, the reoffering premium is the amount by which the purchase price of the bonds exceeds the principal amount of the bonds. This purchase amount is determined by demand and supply in the secondary market for the bonds.

² The Deposit to Series Bond Account is a portion of the reoffering premium to be used to pay debt service.

³ The Underwriter's Discount is paid out of the original issue premium. This amount is paid to the Underwriter for services rendered in selling the bonds.

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

Issuance Costs: The total estimated bond issuance costs, including fees for outside bond counsel, financial advisors, rating agency advisors, financial printing, advertising, and the services of the Mayor's Office of Public Finance, the Treasurer's Office, the Controller's Office and City Attorney, are \$14,998, or approximately 0.20 percent of the total value of the bonds to be sold in the amount of \$7,505,000.

Interest Rate and Debt Service: Mr. Todd Rydstrom of the Controller's Office advises that based on current market conditions the overall effective interest rate on the bonds is projected to be approximately 4.890 percent. The proposed sale of the bonds in the amount of \$7,505,000 would result in total debt service on the bonds (from December 15, 2005 through June 15, 2025) of approximately \$12,738,463, including the principal amount of \$7,505,000 and interest of \$5,233,463, resulting in an estimated average annual debt service expense over the estimated 20-year life of the bonds of \$636,923.

Property Tax Rate And Debt Capacity Impacts:

Property Tax Rate: According to the Controller's Office, the proposed sale of subject 1997 Zoo Bonds, in the amount of \$7,505,000, would result in an increase in the Property Tax rate of approximately \$0.00061561 per \$100 of assessed value. At that incremental property tax rate, the owner of a single-family residence assessed at \$500,000, after deducting \$7,000 for the homeowners exemption would pay approximately \$3.03 per year in Property Taxes annually due to the sale of these bonds.

Debt Capacity: The City's General Obligation Bond debt capacity is limited under Section 9.106 of the City Charter to three percent of the City's net assessed property value. The City's total General Obligation debt capacity is currently \$3,134,138,636 or 3 percent of the City's estimated net assessed property valuation of \$104,471,287,868 for FY 2004-2005. As of April 1, 2005, the City had \$921,625,000 in outstanding General Obligation bonds. Based on this outstanding principal amount without consideration of other bond issuances

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between April 1, 2005 and the date of issuance of the subject bonds, if the proposed 1997 Zoo Bonds are issued in the amount of \$7,505,000, the City will have \$929,130,000 in GO bonds outstanding, with \$2,205,008,634 of the \$3,134,138,634 debt capacity remaining.

**Capital Projects
Budget:**

Attachment II to this report, provided by Mr. Aikin, is a proposed budget for the \$7,505,000 supplemental request which is summarized as follows:

Capital Projects Budget

	Design Cost (12 %)	Construction Management (5%)	Project Management (5%)	Permits (1.5%)	Construction Costs	Total
Additional Improvements to Africa Savanna*	\$372,973	\$155,405	\$155,405	\$46,621	\$3,108,101	\$3,838,505
Great Ape Forest	34,402	14,334	14,334	4,300	286,682	354,052
South American Gateway	82,052	34,188	34,188	10,257	683,767	844,452
Repair and Replacement**	161,271	67,196	67,196	32,795	1,596,955	1,925,413
<i>Surveys, Studies and Contingency</i>						451,575
<i>Cost of Issuance and Overhead</i>						91,003
Total	\$650,698	\$271,123	\$271,123	\$93,973	\$5,675,505	\$7,505,000

* Includes facilities for the Black Rhino and Nile Hippo, Asian Rhinoceros, and Lion House.

**Includes facilities for the Bears, Harbor Seal and Grey Seal, and Incinerator Replacement and other Repair and Replacement Project.

Comments:

1. The proposed expenditures of \$7,505,000 are consistent with the bond uses submitted to and approved by San Francisco voters in June 1997, which were to:

- Replace many animal enclosures with modern zoo habitats,
- Construct new buildings and Zoo a facilities, and
- Modernize existing Zoo buildings and structures.

Additionally, the African Savanna, Great Ape Forest, South American Gateway and repair and replacement for the seals and bears were projects recommended in the Budget Analyst's January 2000 Zoo Audit.⁴

⁴ To complete this audit, we engaged the services of Dr. Joel Parrott, a Zoo veterinarian, to perform an evaluation of animal management and animal care.

Memo to Budget and Finance Committee
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2. The June 1997 voter guide states that "The Zoological Society plans to raise additional private money for this project." Mr. Aikin advises that the Zoological Society has raised \$35,178,408 of private and grants funds.

3. While the above *Capital Project Budget* includes 12 percent of the total project costs for design and 5 percent of the total project costs for construction management and 5 percent for project management, Mr. Aikin advises that this budget is an estimate and that DPW's Bureau of Architecture has not submitted a final proposal for the costs of design and construction management services.

Notably, the Budget Analyst's 2000 Zoo Audit recommended that the Zoo should

"Make every effort to cap the design fees at a composite rate of 12 percent for specialized animal facilities work, and for all other projects."

Therefore, the Budget Analyst continues to recommend that design fee costs are capped at a composite rate of 12 percent.

4. While bond sale authorization can occur at one-time, typically, bonds are sold for design services first, and then subsequently sold for construction once design is completed and construction costs can be more accurately estimated. The reason for this practice is to ensure that bonds are sold near to when they are expended because tax payers must start repaying the debt once the bonds are sold regardless of whether or not the bond proceeds are used. However, in this instance, the Mayor's Office of Public Finance intends to sell all of the bonds at once, on or around May 24, 2005 for both design and construction costs. Ms. Sesay advises that she has determined this approach is reasonable because (1) the amount of \$7,505,000 is small such that issuing twice would increase issuance costs and decrease the amount available for the projects unnecessarily, (2) the Zoo intends to expend these monies within three years, and (3) the Zoo completed the projects for the three prior issuances in a timely manner. The Budget Analyst concurs with Ms. Sesay that in this

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

instance the sale of the proposed bonds in the amount of \$7,505,000 for design and construction is reasonable.

Recommendation: Approve the proposed resolution (Item 8 - File 05-0680) and the proposed supplemental appropriation ordinance (Item 9 – File 05-0736).

The General provisions in the resolution regarding the proposed sale of the Zoo Facilities Improvement Bonds, 1997, Series 2005H, are listed in Attachment I of this report, which was prepared by the Budget Analyst based on information submitted by Ms. Nadia Sesay, Director of the Mayor's Office of Public Finance.

- the sale of the bonds is tentatively scheduled for May 24, 2005
- the aggregate principal amount of the Series 2005H Zoo Facilities Improvement General Obligation Bonds shall not exceed \$7,505,000
- the bonds would be sold at an interest rate not to exceed 12 percent per year and would have a final maturity of not later than June 15, 2029, resulting in a maximum bond term of 24 years
- Property Taxes collected to pay debt service on the bonds would be deposited in a special account, which would be created specifically for this purpose ("The Bond Account")
- an official statement describing the proposed bonds is referenced in the proposed resolution and is contained in File 04-0680. The official statement would be available to all potential bidders for the bonds
- costs of issuance with respect to the Series 2005H, Zoo Facilities Improvement General Obligation Bonds, 1997, (excluding underwriter's discount) shall not exceed two percent of the principal amount
- the City Treasurer is authorized and directed to appoint one or more depositories as he or she may deem desirable and to appoint one or more agents to serve as paying agent, fiscal agent, rebate calculation agent or escrow agent or registrar for the Series 2005H, Zoo Facilities Improvement Bonds, 1997. These agents may also assist the City Treasurer in performing any or all of the functions directed by the City Treasurer.
- The Series 2005H, Zoo Facilities Improvement Bonds, 1997 maturing on or after June 15, 2013 are subject to optional redemption prior to their respective maturity.

Program Scope and Budgets for Active Projects

2005-2008

Bond Accountability Report for the 4th Bond Sale

Item	Project	Project line Item	Type	Design (12%)	Construction Management - DPW (5%)	Project Management - RPD + BOA (5%)	Permits - 1.5%	Amount
B	African Savanna	Black Rhino and Nile Hippo						
			Soft Costs	153,648	64,020	64,020	19,206	\$300,894
			Construction Cost					\$1,280,399
		Asian Rhinoceros	Subtotal					\$1,581,293
			Soft Costs	165,618	69,007	69,007	20,702	\$324,334
			Construction Cost					\$1,380,146
			Subtotal					\$1,704,480
		Lion House	Soft Costs	53,707	22,378	22,378	6,713	\$105,176
			Construction Cost					\$447,556
			Subtotal					\$552,732
C	Great Ape Forest	Chimpanzee						
			Soft Costs	34,402	14,334	14,334	4,300	\$67,370
			Construction Cost					\$286,682
			Subtotal					\$354,052
H	South American Gateway	SA Forest Building						
			Soft Costs	82,052	34,188	34,188	10,257	\$160,685
			Construction Cost					\$683,767
			Subtotal					\$844,452
K	Repair and Replacement	Bears						
			Soft Costs	132,034	55,014	55,014	16,504	\$258,567
			Construction Cost					\$1,100,286
			Subtotal					\$1,358,853
		Harbor Seal and Grey Seal						
			Soft Costs	18,005	7,502	7,502	2,251	\$35,259
			Construction Cost					\$150,040
			Subtotal					\$185,299
		Replace Incinerator						
			Soft Costs	11,232	4,680	4,680	14,040	\$34,632
			Construction Cost	161,271	67,196	67,196	32,795	\$93,600
			Subtotal					\$128,232
		Facility Repairs and Replacements						
			Soft Costs					\$0
			Construction Cost					\$253,029
			Subtotal					\$253,029
		Program Management Costs	Soft Costs					\$351,574
		Program Wide Costs						\$191,003
Total				811,968	338,320	338,320	126,768	\$7,505,000

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

Item 10 - File 04-1518

Department: Department of Administrative Services
Real Estate Division (DRE)

Item: Resolution authorizing and approving a five-year lease, with one additional five year option, with Sprint Spectrum, Limited Partnership (L.P.), a Delaware limited partnership, permitting Sprint Spectrum, L.P. to place a cellular telephone transmitter and up to six antennae on the roof of a City-owned facility, Health Center Four, also known as the Chinatown Community Public Health Center, located at 1490 Mason Street.

Location: Health Center Four is located at 1490 Mason Street, between Pacific Avenue and Broadway, above the Broadway Tunnel (Assessor's Block 159, Lot 46).

Purpose of Lease: To allow Sprint Spectrum, L.P. to locate a cellular telephone transmitter and up to six antennae on the roof of the City-owned Health Center Four.

Lessor: City and County of San Francisco

Lessee: Sprint Spectrum, L.P., a Delaware limited partnership

No. of Sq. Ft. and Monthly and Annual Rent Payable by Lessee to the City: Approximately 165 square feet at \$3.300 per month (\$39,600 annually)

Term of Lease: Five years, expected to commence on June 1, 2005 and to expire on May 30, 2010.

Right of Renewal: Under the terms of the proposed lease, the lessee would have the option to renew for one additional term of five years.

Rent Adjustment: At the beginning of the second year of the proposed lease, anticipated to be June 1, 2006, and as of June 1st for the remaining three years of the proposed lease, the base rent will be adjusted annually by the annual percentage increase in the Consumer Price Index (CPI). The monthly

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

base rent on or after the adjustment date cannot be less than the monthly base rent in effect immediately prior to the adjustment date.

Additionally, prior to the exercise of the five-year option term, the base rent would be adjusted to equal the fair market rent of the subject property. This adjustment would be determined by the Real Estate Division (DRE), using a market survey approach for comparable space leased for cellular telephone transmitters.

**Utilities and
Janitorial**

Provided by Lessee: Lessee pays for the cost of utilities, consisting of electricity, and janitorial services for the proposed lease.

Tenant

Improvements:

Upon commencement of the subject lease, Sprint Spectrum, L.P. will install, solely at its cost, the necessary cellular transmitter equipment and up to six antennae at the City-owned facility.

Description:

The proposed resolution would authorize a five-year lease between the City and Sprint Spectrum, L.P. for roof space on Health Center Four, also known as the Chinatown Community Public Health Center, a City-owned facility, located at 1490 Mason Street, between Pacific Avenue and Broadway, above the Broadway Tunnel.

Under the subject lease, Sprint Spectrum, L.P. proposes to construct and maintain 1) three equipment cabinets on the roof of Health Center Four, and 2) up to six antennae panels. The up to six antennae panels will be hidden within a faux chimney and a new flagpole. According to Mr. Larry Jacobson of DRE, the equipment cabinets will relay telephone signals to and from cellular phone users. The approximate service area would be a three-quarter mile radius surrounding the Health Center Four facility at 1490 Mason Street.

Comments:

1. According to Mr. Jacobson, the DRE represents that the proposed rental rate represents fair market value. Attachment I, provided by Mr. Jacobson, explains the basis of the rent to be charged for the proposed lease and also contains a list of the City's other leased space used for siting cellular telephone transmitters, including the

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number of square feet leased and the annual rental rates. According to Mr. Jacobson, the rental value of cellular transmission space is based upon the service provided to cellular phone users and the amount of potential phone traffic at specific locations, and is not based upon the number of square feet to be leased.

2. Mr. Jacobson advises that DRE is not required to conduct a competitive bidding process for awarding leases for cellular transmitter space because it would be impractical. Mr. Jacobson notes that the selection of a lessee is in accordance with Chapter 23, Section 23.30 of the Administrative Code, which states, "The Director of Property shall arrange for such Lease to the highest responsible bidder in accordance with Competitive Bidding Procedures, unless...such Competitive Bidding Procedures are impractical or impossible...", Mr. Jacobson states that Sprint Spectrum, L.P. requested the subject site as part of its cellular coverage plan for cellular transmitter space as is the standard procedure. Attachment II, provided by Mr. Jacobson, is a memo explaining the impractical nature to require the award of leases on a competitive bid basis for leases to site cellular telephone transmitters.

3. Mr. Jacobson reports that according to the Notice of Special Restrictions under Article 7, Section 174 of the City Planning Code, the proposed lease site has been reviewed by Hammett & Edison, Inc. a consulting engineer retained by Sprint Spectrum, L.P. Mr. Jacobson reports that Hammett & Edison, Inc. has reviewed the Sprint Spectrum. L.P. radio frequency emissions, and has determined that the proposed site is in compliance with radio wave requirements set by the Federal Communications Commission and the America National Standards Institute (ANSI), a nonprofit organization that administers and coordinates multi-industry standards.

4. The proposed resolution authorizes the Director of Property to "...enter into any amendments or modifications to the Lease...that the Director of Property determines, in consultation with the City Attorney, are in the best interest to the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the

Memo to Budget and Finance Committee
May 5, 2005 Budget and Finance Committee Meeting

Lease or this resolution, and are in compliance with all applicable laws, including City's Charter."

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Ammiano
Supervisor Daly
Supervisor Elsbernd
Supervisor Ma
Supervisor McGoldrick
President Peskin
Supervisor Alioto-Pier
Supervisor Dufty
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Clerk of the Board
Controller
Erin McGrath
Ted Lakey
Cheryl Adams



MEMORANDUM

November 18, 2004

TO: Leanne Nhan
Budget Analyst's Office

FROM: Larry Jacobson 
Real Estate Division

SUBJECT: Cell Phone Transmitter Rental Rate
Health Center 4 (Chinatown Community Health Center)

This memorandum is to inform you of the fee currently applied to the Health Center 4 cell phone transmitter site. This site is large enough for a second and third cell phone company to co-locate and place transmitters and antennae in operation. Co-location cannot occur without Planning and Board of Supervisor approval.

Tenant will pay \$3,300.00 per month rent. This site provides coverage for the Chinatown and east Russian Hill area. This rental fee \$3,300 per month is similar to \$3,000 per month fees established in previous years with current inflation added. The \$3,000 per month leases have been escalated by the CPI to the vicinity of \$3,300 per month.

Cell phone transmitter rental rates are based upon location, density and traffic rather than the size of the premises. The current rental rate is \$1,200 per month for a micro area of less than a quarter mile radius and less than 360° coverage. The urban location rate is \$3,300 per month and the rental rates for sites adjacent to freeways (S.F. General Hospital and the Hall of Justice) is \$5,000 per month.

If you have any questions please call me at 554-9863.

City and County of San Francisco

Cell Phone Transmitter Leases

Existing Cell Phone Transmitter Leases

Department	Station	Address	Cell Phone Company	Annual Rent	Premises (Sq Ft)
Fire		1300 4 th St.	AT&T Wireless	18,000	22
Fire		260 Golden Gate	AT&T Wireless	24,000	250
DPH		Laguna Honda Hospital	AT&T Wireless	23,000	300
Fire	40	2155 18 th Ave.	Metro PCS	39,300	20
Fire	15	1000 Ocean	Metro PCS	39,300	24
Fire	6	135 Sanchez	Metro PCS	39,300	20
DPT		2500 24 th St.	Nextel	41,000	150
Fire	15	11 Phelan	Cingular	23,000	80
Fire	43	720 Moscow	Sprint	35,000	250
DPT		Performing Arts Garage	Sprint	42,000	350
DPT		Pierce St. Garage	Sprint	41,000	500
DPH		MHRFBldg. @ SFGH	Sprint	65,500	189
DPT		756 Vallejo	Verizon	24,000	189

Larry Jacobson
11/19/2004

Attachment II

MEMORANDUM

DATE: November 17, 2004

TO: Leanne Nhan
Budget Analyst's Office

FROM: Larry Jacobson
Senior Real Property Officer

SUBJECT: Siting Cellular Phone Transmitters;
Reason it is impractical to request bids

Each cellular phone company establishes its own set of cells; each cell covers a finite geographic area. The area of the cell, generally round, is affected by both topography and the amount of telephone traffic within any geographic area.

Cellular phone companies have different cell configurations. The cellular phone company, based upon its cell configuration, determines where to place the transmitter and antennae and approaches the property owner.

The City and County of San Francisco can often accommodate cell phone companies on City property - but not always. There may be problems such as finding space for the transmitter equipment, 24-hour access, height of building, etc. Since cellular phone companies have differing needs for siting cell phone transmitters, it is impractical to request bids for a specific site since generally only one company has an interest in a selected site.

Finally, FCC requirements provide for co-location of cell phone equipment. The companies doing business in San Francisco have approached the City on a number of occasions seeking co-location. All sites including Health Center 4 have adequate space to accommodate co-location.



City and County of San Francisco

Meeting Agenda

Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Clerk: Gail Johnson

Thursday, May 12, 2005

11:00 AM

City Hall, Legislative Chamber, Room 250

Rescheduled Meeting

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget and Finance Committee on Thursday, May 12, 2005, at 1:00 p.m. HAS BEEN RESCHEDULED TO Thursday, May 12, 2005, at 11:00 a.m. and will be held in Room 250, City Hall.

Meeting Convened

If a quorum of the Board of Supervisors members is present, Supervisor Ammiano will hold a Special Board of Supervisors meeting in order to hear the Fiscal Year 2005-06 budgets of the San Francisco City and County Departments.

Note: Each item on the Consent or Regular agenda may include the following documents:

- 1) Legislation
- 2) Budget Analyst report
- 3) Legislative Analyst report
- 4) Department or Agency cover letter and/or report
- 5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

DOCUMENTS DEPT.

MAY - 6 2005

REGULAR AGENDA

SAN FRANCISCO
PUBLIC LIBRARY

1. 050307 [Budget Updates]**Supervisor Ammiano**

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Office of Legislative Analyst and City Departments.

2/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

3/17/05, CONTINUED. Heard in Committee. Speakers: Noelle Simmons, Mayor's Budget Office; Ken Bruce, Budget Analyst's Office.

Continued to March 24, 2005.

3/24/05, CONTINUED. Heard in Committee. Speaker: Monique Zmuda, Deputy Controller.
Continued to March 31, 2005.

3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None.

4/7/05, CONTINUED. Heard in Committee. Speakers: Andrew Murray, Office of the Legislative Analyst; Ernestine Weiss.
Continued to April 14, 2005.

4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.

Continued to April 21, 2005.

4/21/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Noelle Simmons, Mayor's Budget Office.

4/28/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.

5/5/05, CONTINUED. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.
Continued to May 12, 2005.

2. 050793 [Budget Hearing and Review, FY 2005-06]

Hearing to consider the Annual Budget for the Municipal Transportation Agency for fiscal year 2005-2006. (Clerk of the Board)

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

3. 050329 [Parking Permits]

Ordinance amending San Francisco Traffic Code sections 308, 308.1, 308.3, and repealing section 314, to: clarify the requirements for issuance of Residential Parking Permits; increase parking permit fees for Residential Parking Permits and Health Care Worker Permits to sixty dollars (\$60) if purchased in the first six months of the permit year or thirty dollars (\$30) if purchased in the last six months of the permit year; increase Educational Institution Permits to sixty dollars (\$60) for each permit regardless of the date of purchase or repurchase; increase temporary parking permit fees for Residential Parking Permits to twenty dollars (\$20) for each week for up to four weeks or forty dollars (\$40) for a four week permit; increase visitor parking permit fees for Residential Parking Permits to five dollars (\$5) per day, twenty dollars (\$20) for two consecutive weeks, thirty dollars (\$30) for four consecutive weeks, forty dollars (\$40) for six consecutive weeks, or fifty dollars (\$50) for eight consecutive weeks; and, delete previous permit fee amounts. (Municipal Transportation Agency)

3/4/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

4. 050371 [Contractor Permit Fee]

Ordinance amending San Francisco Traffic Code section 202.C to add a provision that contractor permits may be issued for six consecutive months that begin on December 1st, to delete a provision that no more than five additional contractor permits may be issued to any contractor who is not eligible to apply for exclusive temporary use of parking meter zones, and to increase the contractor parking permit fee from \$325 to \$500 if purchased in the first six months of the year and from \$225 to \$250 if purchased in the last six months of the permit year. (Municipal Transportation Agency)

3/4/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

4/29/05, REFERRED TO DEPARTMENT. Referred to Small Business Commission for comment and recommendation.

5. 050370 [Parking Meter Rates]

Ordinance amending the San Francisco Traffic Code by amending Section 203.1 to increase the rate for parking meters in Parking Meter Area Number One to three dollars (\$3.00) an hour, by amending Section 203.2 and 203.4 to increase the rate for parking meters in Parking Meter Areas Numbers Two and Four to two dollars and fifty cents (\$2.50) an hour, and by amending Section 203.3 to increase the rate for parking meters in Parking Meter Area Number Three to two dollars (\$2.00) an hour.
(Municipal Transportation Agency)

3/4/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

6. 050372 [Parking Fine Penalty Schedule]

Ordinance amending San Francisco Traffic Code section 132 to increase penalties for various parking related violations, and to correct the penalties for Vehicle Code sections 22523A and 22523B by decreasing the penalties to \$200 and section 22526B by decreasing the penalty to \$100. (Municipal Transportation Agency)

3/4/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

7. 050771 [Annual Appropriation Ordinance for Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]

Mayor

Ordinance appropriating all estimated receipts and all estimated expenditures for selected Departments of the City and County of San Francisco as of May 1, 2005 for the fiscal year ending June 30, 2006.

(Appropriation for the following selected departments: Airport, Municipal Transportation Agency, Port, Public Utilities Commission, Retirement System, Rent Arbitration Board.)

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

8. 050780 [Proposed Annual Salary Ordinance for the Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]

Mayor

Proposed Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for selected Departments of the City and County of San Francisco as of May 1, 2005, for the Fiscal Year ending June 30, 2006, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor.

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget and Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE**(Not to be considered at this meeting)**

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

050740 [Fees for Findings of Fact in Assessment Appeals]

Supervisor Peskin

Ordinance (1) amending Section 2B.11 of the San Francisco Administrative Code to (a) replace the existing fee schedule for preparation of written findings of fact in assessment appeals with a fee that recovers the costs attributable to the preparation and issuance of findings by the Assessment Appeals Board, (2) making findings relative to the City's costs of preparing written findings of fact in assessment appeals, and (3) making findings pursuant to the California Environmental Quality Act, Public Resources Code Section 21080(b)(8)(A), that the fees for written findings are not a "project" and that such fees are imposed for the purpose of meeting operating expenses, including employee wage rates, fringe benefits and other direct and indirect overhead charges attributable to the preparation and issuance of such findings.

4/26/05, ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/26/2005.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

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CITY AND COUNTY

OF SAN FRANCISCO



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 5, 2005 DOCUMENTS DEPT.

TO: ~~§~~Budget and Finance Committee

MAY 10 2005

FROM: ~~§~~Budget Analyst

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1/05
SUBJECT: May 12, 2005 11:00 a.m. Rescheduled Budget and Finance Committee
Meeting

Item 2 – File 05-0793

Item: Hearing to consider the Annual Budget for the Municipal Transportation Agency (MTA) for Fiscal Year 2005-2006.

Description: The Budget and Finance Committee has directed the Budget Analyst to conduct a line item review of the prepare Municipal Transportation Agency's proposed FY 2005-2006 budget and present a report with recommendations to the Committee.

The Budget Review of the MTA's proposed FY 2005-2006 budget will be transmitted to the Budget and Finance Committee on Tuesday, May 10, 2005.

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

Items 3 and 4 - Files 05-0329 and 05-0371

Departments:	Department of Parking and Traffic (DPT) Municipal Transportation Agency (MTA)
Items:	<p><u>File 05-0329:</u> Ordinance amending San Francisco Traffic Code Sections 308, 308.1, 308.3 and repealing Section 314, to: clarify the requirements for issuance of Residential Parking Permits; increase parking permit fees for Residential Parking Permits and Health Care Worker Permits to \$60 if purchased in the first six months of the permit year or \$30 if purchased in the last six months of the permit year; increase Educational Institutional Permits to \$60 for each permit regardless of the date of purchase or repurchase; increase temporary parking permit fees for Residential Parking Permits to \$20 for each week for up to four weeks or \$40 for a four week permit; increase visitor parking permit fees for Residential Parking Permits to \$5 per day, \$20 for two consecutive weeks, or \$50 for eight consecutive weeks; and, delete previous permit fee amounts.</p> <p><u>File 05-0371:</u> Ordinance amending San Francisco Traffic Code Section 202.C to add a provision that contractor permits may be issued for six consecutive months that begin on December 1st, to delete a provision that no more than five additional contractor permits may be issued to any contractor who is not eligible to apply for exclusive temporary use of parking meter zones, and to increase the contractor parking permit fee from \$325 to \$500 if purchased in the first six months of the year and from \$225 to \$250 if purchased in the last six months of the permit year.</p>
Description:	The proposed ordinances would amend San Francisco's Traffic Code with respect to the Residential Parking Permit (RPP) Program to (a) increase parking permit fees; (b) delete a provision that no more than five additional contractor permits may be issued to any contractor who is not eligible to apply for exclusive temporary use of parking meter zones; and (c) eliminate the accrual of a specified portion of parking permit fees to the Road Fund

for the purposes of engineering studies, sign installations, and sign maintenance associated with the RPP program.¹

Attachment II, provided by Ms. Diana Hammons of the Department of Parking and Traffic (DPT), details (a) the number of Residential, Educational Institution, Visitor, Temporary, and Contractor Parking Permits projected to be issued by DPT in Fiscal Year 2005-2006 without a fee increase; (b) the existing and proposed fees for such parking permits; (c) the dollar and percentage increase in such parking permit fees under the proposed ordinances; (d) the estimated revenue to be generated by such parking permit fees in FY 2005-2006, using projected permit issuance numbers for FY 2005-2006; (e) the estimated revenue to be generated by such parking permit fees under the existing fee levels; (f) the expected increase in parking permit fee revenues as a result of the proposed ordinances; and (g) the additional annual revenue to be generated. Ms. Hammons advises that DPT estimates a 10% decrease in the number of parking permits issued as a result of the fee increases under the subject ordinances (See Comment No. 4).

According to Ms. Hammons, all Residential, Educational Institution, Visitor, Temporary, and Contractor Parking Permits are issued through DPT's Residential Permit Parking (RPP) Program.

Comments:

1. According to Ms. Hammons, DPT estimates that the RPP Program will generate \$2,805,409 in parking permit fee revenues in FY 2004-2005. Ms. Hammons advises that, as shown in Attachment II, if the proposed ordinance is not approved, and the parking permit fees remain at their current rates, DPT estimates that the Department would receive \$2,805,409 in parking permit fees in FY 2005-2006, or the same amount as FY 2004-2005.

Ms. Hammons advises that the proposed ordinances are estimated to result in a total of \$5,091,021 parking permit fee revenues in FY 2005-2006, which is \$2,285,612 or 81.5

¹ Attachment I, prepared by the Budget Analyst, lists and explains each of the five parking permit fees under consideration for increase under the subject ordinances.

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

percent more than the \$2,805,409 that is estimated to be received in FY 2004-2005.²

Ms. Hammons advises, however, that DPT will not be able to fully implement the proposed parking permit fees until August 1, 2005, or one month after the start of FY 2005-2006, to allow for notification to renewal parking permit holders regarding the fee increases. As a result of the delayed implementation, Ms. Hammons advises that the proposed ordinances are estimated to result in a total of \$4,896,900 in parking permit fee revenues in FY 2005-2006, a reduction of \$194,121 as compared to a full year of implementation. Assuming a start date of August 1, 2005, \$2,091,492 additional parking permit fee revenues would be generated in FY 2005-2006, as compared to FY 2004-2005. These revenues are used for administration, enforcement, engineering, and operations of the RPP Program.

2. Ms. Hammons advises that DPT has included total revenues of \$5,443,305 from parking permit fees in the MTA's proposed FY 2005-2006 Budget, which was submitted to the MTA Commission in February 2005. The Budget Analyst notes that the projected parking permit fee revenues in this report for FY 2005-2006 of \$4,896,900 are \$546,405, or 10 percent less than the parking permit fee revenues included in MTA's proposed FY 2005-2006 Budget of \$5,443,305. Ms. Hammons advises that the numbers in the Budget Analyst's report reflect more recent projections by DPT, which take into account (a) legislative delays in ordinance implementation and (b) revised projections for FY 2005-2006. According to Ms. Hammons, the revenue projections in this report are therefore more accurate than the revenue projections included in MTA's FY 2005-2006 Budget. This discrepancy of \$546,405 between the MTA's proposed FY 2005-2006 Budget and these more recent, accurate revenue projections are addressed in the Budget Analyst's report on the MTA's proposed FY 2005-2006 Budget.

² As shown in Attachment II, the projected total revenue of \$4,836,470 is \$2,171,332 or 81.5 percent more than the \$2,665,138 amount that DPT estimates would otherwise be received in FY 2005-2006, without the proposed parking permit fee increases.

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3. According to Ms. Hammons, and as shown in Attachment III, the projected total cost of administering and enforcing the RPP Program in FY 2005-2006 is estimated to be \$5,613,978. If the proposed ordinances are approved, parking permit fee revenues are estimated to total \$4,896,900 in FY 2005-2006, which is \$717,078 or 12.7 percent less than the total costs of \$5,613,978 for RPP Program administration, enforcement, engineering, and operations. Ms. Hammons advises that the balance of costs for RPP Program administration is funded from DPT's General Fund transfer.

Ms. Hammons advises that the MTA's proposed FY 2005-2006 Budget includes 3.0 new FTE's for the purposes of RPP program administration, at a budgeted salary and fringe benefits cost of \$181,870 (\$140,332 in salaries plus \$41,538 in fringe benefits). According to the MTA's proposed FY 2005-2006 Budget, the current parking permit fee level "does not allow the department to hire the needed staff at the right level and, as a result, notices and permits are not sent out in a timely manner." Ms. Hammons further advises that the costs of RPP program administration in FY 2005-2006 in this report include these additional staff.

As a result of this increased RPP program administration cost, the proposed ordinance will result in a total of \$1,909,622 in increased revenues to the MTA from FY 2004-2005 to FY 2005-2006 (\$2,091,492 in increased revenues minus \$181,870 in increased salary and fringe benefits costs). Thus, the proposed ordinance will result in total revenues to the MTA in FY 2005-2006 of \$4,715,030.

4. According to Ms. Hammons, fees for Residential, Educational Institution, Visitor, Temporary, and Contractor Parking Permits were last increased by the Board of Supervisors in 1998 (Ord. 246-98).

5. Ms. Hammons advises that, if the proposed parking permit fee increases are approved, DPT estimates a ten percent decline in the number of parking permits that would be issued in FY 2005-2006 through the RPP Program, as compared with FY 2004-2005. Ms. Hammons

further advises that this decline is attributed to individuals choosing to park their vehicles in their private garages or no longer owning a vehicle.

6. The proposed ordinance (File 05-0329) would increase the cost for visitors to purchase a two-week Residential Parking Permit from \$10 to \$20, an increase of \$10 or 100 percent. The proposed ordinance would also authorize the issuance of longer permits based on an incremental increase of \$10 for every two weeks after the first \$20 two-week period, up to a maximum of \$50 for 8 weeks. Currently, a visitor Residential Parking Permit is \$10 for a maximum of two weeks and does not provide for visitor parking permits longer than two weeks. The proposed ordinance also authorizes a daily parking permit to be issued at a fee of \$5 per day. Ms. Hammons states that this daily permit option is currently not available and that any additional revenue from this new permit option is likely to be offset by a corresponding reduction in revenues from a reduced number of two-week visitor permits issued.

7. Ms. Hammons advises that the proposed ordinance (File 05-0239) eliminates Traffic Code Section 314.H, which specifies that \$5 from each permit purchased in the first six months of the permit year and \$2 from each permit purchased in the last six months of the permit year accrue to the Road Fund for the purpose of offsetting the costs related to (a) engineering studies, (b) sign installations, and (c) sign maintenance associated with the RPP Program. Ms. Hammons estimates that, in FY 2004-2005, a total of \$428,510 will accrue to the Road Fund from such permit fees. However, in FY 2004-2005, Ms. Hammons projects that a total of \$330,601 will be expended for such purposes, resulting in a balance of \$97,909 for FY 2004-2005 in the Road Fund that will be expended for non-RPP program related expenditures from the Road Fund.

According to Ms. Hammons, the current ordinance does not tie revenues to be deposited into the Road Fund to expenditures for the above purposes related to the RPP Program. Ms. Hammons advises that, under the proposed

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ordinance, the amount of parking permit fee revenues that is equal to the total of the (a) engineering studies, (b) sign installations, and (c) sign maintenance costs associated with the RPP Program will be deposited into the Road Fund and this change will allow the deposit of revenues to reflect actual costs.

8. According to Ms. Hammons, the existing and proposed ordinances restrict the number of parking permits that can be issued to a licensed contractor to eight permits. Ms. Hammons advises, however, that under the existing ordinance any contractor who is not eligible to apply for exclusive temporary use of parking meter zones is restricted to five additional parking permits. Ms. Hammons advises that the proposed ordinance (File 05-0371) would eliminate this restriction. According to Ms. Hammons, DPT cannot estimate the amount of additional revenue this change would generate. Further, Ms. Hammons advises that any additional costs associated with this change can be absorbed within DPT's staffing.

9. The Budget Analyst notes that the proposed ordinances are two of four proposed ordinances for consideration by the Board of Supervisors as a means to increase revenues to the MTA in FY 2005-2006. As noted in Comment No. 2 of this report, the revenues budgeted in the MTA's proposed FY 2005-2006 Budget and the amounts now forecast differ. In the chart on the following page, compiled by the Budget Analyst, each of the proposed ordinances, identified by Item and File No., are shown including (a) the amount of revenue budgeted by the MTA in its proposed FY 2005-2006 Budget, (b) the amount of revenue now forecast by the MTA for FY 2005-2006 revenues of each subject ordinance, and (c) the difference between these figures.

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FY 2005-2006 Budgeted Vs. Updated Projected Revenues				
Item No.	File No.	MTA Proposed FY 2005-2006 Budget Projection	Updated Projection	Difference
3 & 4	05-0329 & 05-0371	\$5,443,305	\$4,896,900	(\$546,405)
5	05-0370	31,277.120	32,711,746	1,434,626
6	05-0372*	93,253,991	91,484,184	(1,769,807)
	Total	\$129,974,416	\$129,092,830	(\$881,586)

*As noted in Comment No. 6 of the Budget Analyst's report on File No. 05-0372, the Budget Analyst notes that parking fine revenues owed by DPT to the Port are likely to increase in FY 2005-2006, although the amount by which such revenues will increase has not been determined by the Port and the MTA, and payment of such additional revenues will have a further negative impact on the MTA's Budget.

Recommendation: Approval of the proposed ordinances are policy matters for the Board of Supervisors, as follows:

Approval of the proposed ordinances means that the Board of Supervisors agrees with the Municipal Transportation Agency and the Department of Parking and Traffic that the proposed Residential Permit Parking (RPP) Program parking permit fees are an appropriate means to generate \$1,909,622 in additional revenues (\$2,091,492 in increased revenues minus \$181,870 in increased salary and fringe benefits costs) in FY 2005-2006, as compared to FY 2004-2005, in order to help balance MTA's FY 2005-2006 budget and recover a higher percentage of DPT's costs for administration and enforcement of the RPP program.

Disapproval of the proposed ordinances means that the Board of Supervisors prefers that the MTA and DPT find means other than increasing RPP Program parking permit fees to help balance MTA's FY 2005-2006 budget and recover a lower percentage of DPT's costs for administration and enforcement of the RPP program.

Department of Parking and Traffic

Permits under consideration in proposed ordinances

Residential

Standard Residential Parking Permits are issued by DPT through its Residential Permit Parking (RPP) Program on an annual or semi-annual basis. Residential Parking Permits may be issued to a) a legal resident of an RPP area who has a motor vehicle registered under his or her name at and address within the subject RPP area, or b) an individual whose motor vehicle is registered or leased to his or her employer within the subject RPP area.

Educational Institution

Educational Institution Parking Permits are issued by DPT to the principal or chief administrator of an educational institution located within an RPP area for the use of persons employed as teachers at such institution who operate commuter vehicles. Such permits are valid between the hours of 8:00am and 3:00pm, and no more than 10 can be issued per institution, or the number that equals the number of on-street unrestricted parking spaces available along the property line of such institution.

Visitors

Visitor Parking Permits are issued by DPT to "bona fide" transient visitors for either two, four, six, or eight weeks. Under the proposed ordinance, such parking permits could also be issued for a single day at a time.

Temporary

Temporary Parking Permits are issued by DPT to a legal resident of an RPP area who has either a) become a resident within the past 30 days or b) has recently purchased or leased a new vehicle.

Contractor

Contractor Parking Permits are issued by DPT to a contractor for display upon motor vehicles used in the course of construction service, pest control service, and construction work within a parking meter zone. Such parking permits are developed to have an appearance that is distinct from that of parking permits issued for RPP areas.

Department of Parking and Traffic Proposed Parking Permit Fees

Department of Parking and Traffic
Residential Parking Permit Program Expenditures

Estimated FY 2005-2006 Expenditures

RPP	Labor	\$1,051,738
	Non-Labor	\$226,390
Enforcement	Labor	3,947,331
	Non-Labor	57,918
Engineering	Labor	\$200,004
	Non-Labor	\$5,000
Operations	Labor	64,900
	Non-Labor	60,697
Total		\$5,613,978

FY 2005-2006 Revenue under proposed ordinances

\$4,896,900

Difference

(\$717,078)

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee

Item 5 - File 05-0370

Departments: Department of Parking and Traffic (DPT)
Municipal Railway (Muni)
Municipal Transportation Authority (MTA)

Item: Ordinance amending San Francisco Traffic Code Section 201 approving new increased parking meter rates

Description: The proposed ordinance would increase the parking meter rates in all on-street and off-street parking areas in the City by \$1.00 per hour. In accordance with San Francisco Traffic Code Section 201, the four on-street parking meter areas in the City include: Area 1- Downtown Core, Area 2 – Ring around Downtown, Area 3 – Outlying Commercial Areas and Area 4 – Fisherman’s Wharf. The existing and proposed on-street and off-street hourly parking meter rates, and the proposed dollar and percent increases are shown in the table below:

Existing and Proposed Parking Meter Rates Per Hour				
Area	Existing Parking Meter Rate	Proposed Parking Meter Rate	Dollar Increase	Percent Increase
1 – Downtown Core	\$2.00	\$3.00	\$1.00	50%
2 – Ring around Downtown	\$1.50	\$2.50	\$1.00	66%
3 – Outlying Commercial Areas	\$1.00	\$2.00	\$1.00	100%
4 – Fisherman’s Wharf	\$1.50	\$2.50	\$1.00	66%
Off-Street	\$1.00	\$2.00	\$1.00	100%

As shown above, the existing on-street and off-street parking meter rates vary from \$1.00 per hour in Area 3 to \$2.00 per hour in Area 1. The proposed ordinance would result in an increase of \$1.00 per hour for all on-street and off-street parking meters, resulting in 50 percent to 100 percent increases from the existing rates.

The actual number of parking spaces with meters, the current hourly parking meter rates, the proposed hourly parking meter rates, the amount and percentage increase of each of the proposed new hourly parking meter rates, the estimated revenues from parking meters in FY 2005-2006 without the proposed increase in parking meter

Memo to Budget and Finance Committee
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rates, and the projected increase in FY 2005-2006 revenues (over FY 2004-2005 projected revenues) as a result of the proposed ordinance for a full year and for an assumed nine months in FY 2005-2006 (See Comment No. 1) are shown in Attachment I, provided by Ms. Diana Hammons of DPT.

Comments:

1. According to Ms. Hammons, the MTA estimates that parking meters will generate \$23,946,232 in revenues in FY 2004-2005. Ms. Hammons advises that, as shown in Attachment I, under the existing meter rates, DPT estimates that the Department would receive \$23,992,370 in parking meter revenues in FY 2005-2006, which is \$46,138 or 0.2 percent more revenues than in FY 2004-2005.

Ms. Hammons advises that, as shown in Attachment I, the proposed ordinance is estimated to result in \$11,671,973 annually in new parking meter revenues, for a total of \$35,618,205 parking meter revenues in FY 2005-2006. Ms. Hammons further advises, however, that DPT will not be able to fully implement the proposed parking meter rates until October 1, 2005, or three months after the start of FY 2005-2006. Therefore, Ms. Hammons advises that the proposed parking meter rate increases are estimated to result in a total of \$32,711,746 in parking meter revenues in FY 2005-2006, an increase of \$8,765,514 or 36.6 percent more than DPT estimates it will collect in FY 2004-2005.¹

2. Ms. Hammons advises that DPT has included total revenues of \$31,277,120 from proposed parking meter revenues in the MTA's proposed FY 2005-2006 Budget, which was submitted to the MTA Commission in February of 2005. The Budget Analyst notes that the projected parking meter revenues in this report for FY 2005-2006 of \$32,711,746 are \$1,434,626, or 4.6 percent, more than the parking meter revenues included in MTA's proposed FY 2005-2006 Budget of \$31,277,120. Ms. Hammons advises that the numbers in the Budget Analyst's report reflect more recent projections by DPT

¹ The Budget Analyst notes that the projected increase in FY 2005-2006 parking meter revenues of \$8,765,514 includes \$46,138 in projected parking meter revenues increase as a result of the existing parking meter rates and an additional \$8,719,376 as a result of the proposed ordinance.

and are more accurate than the revenue projections included in the MTA's proposed FY 2005-2006 Budget.

Ms. Hammons advises that, in order to calculate additional parking meter revenue projections for FY 2005-2006, DPT used an average daily revenue per space figure that included the following factors: disabled placard use, meters taken out of service by construction, non-payment of meters; and commute hour tow away zone reductions. Ms. Hammons further advises that DPT reduced the projected revenue increases by 50 percent for additional non-payment and parking behavior changes as a result of increased parking meter rates.

3. According to Ms. Hammons, the Municipal Railway (Muni) receives \$7,600,000 annually from parking meter revenues pursuant to Section 16.110 of the City Charter. Therefore, of DPT's estimated total of \$32,711,746 parking meter revenues to be collected in FY 2005-2006, the Municipal Railway will receive \$7,600,000, or 23.2 percent, and DPT will receive the balance of \$25,111,746, or 76.8 percent. Ms. Hammons states that the additional revenue will cover DPT's existing operation and enforcement costs associated with the parking meter program and generate an approximately \$6,600,000 surplus to DPT's General Fund revenue, which will be transferred to Muni. Therefore, if the proposed parking meter rates are approved, Muni would receive a total of approximately \$14,200,000 (\$7,600,000 in accordance with the City Charter plus \$6,600,000 of additional revenues) in FY 2005-2006.

4. Ms. Hammons advises that all parking meter rates were last increased by the Board of Supervisors in March of 2003 (File No. 03-0352). Ms. Hammons further advises that, prior to the March of 2003 parking meter rates increase, the Area 1 parking meter rates were last increased in 1988, and the three remaining on-street parking meter areas' rates were last increased in 1992.

5. As shown in Attachment II, provided by Ms. Hammons, under the proposed ordinance, DPT will expend an estimated \$17,013,075 for coin collection and counting, and enforcement of parking meters in the City

in FY 2005-2006. Ms. Hammons advises that DPT's costs for enforcement will not increase as a result of the proposed increases in parking meter rates. However, Ms. Hammons reports that DPT's costs for coin collection and counting will increase as a result of the increased volume of coins that will need to be collected due to the higher meter rates. Ms. Hammons estimates that coin collection and counting costs will increase from approximately \$2,206,783 in FY 2004-2005 to \$3,531,357 in FY 2005-2006, which is a \$1,324,574, or 60 percent. increase. Ms. Hammons advises that coin collection and counting costs are estimated to increase by 60 percent while revenues increase by 36.6 percent because, as a result of the proposed ordinance, DPT will be required to increase the number of days for coin collection and counting from five days a week to six days a week. According to Ms. Hammons, this increase will result in additional staffing, overtime, premium pay, and materials and supplies costs.

6. Given the projected increased revenues and costs as a result of the proposed ordinance, the total net increase in revenues to DPT from FY 2004-2005 to FY 2005-2006, would be \$7,440,940 (\$8,765,514 projected revenue increase less \$1,324,574 projected cost increase).

7. The Budget Analyst notes that the proposed ordinance is one of four proposed ordinances for consideration by the Board of Supervisors as a means to increase revenues to the MTA in FY 2005-2006. As noted in Comment No. 2 of this report, the revenues budgeted in the MTA's proposed FY 2005-2006 Budget and the amounts now forecast differ. In the chart on the following page, compiled by the Budget Analyst, each of the proposed ordinances, identified by Item and File No., are shown including (a) the amount of revenue budgeted by the MTA in its proposed FY 2005-2006 Budget, (b) the amount of revenue now forecast by the MTA for FY 2005-2006 revenues of each subject ordinance, and (c) the difference between these figures.

FY 2005-2006 Budgeted Vs. Updated Projected Revenues				
Item No.	File No.	MTA Proposed FY 2005-2006 Budget Projection	Updated Projection	Difference
3 & 4	05-0329 & 05-0371	\$5,443.305	\$4,896,900	(\$546,405)
5	05-0370	31,277.120	32,711.746	1,434.626
6	05-0372*	93,253.991	91,484.184	(1,769.807)
	Total	\$129,974,416	\$129,092,830	(\$881,586)

*As noted in Comment No. 6 of the Budget Analyst's report on File No. 05-0372, the Budget Analyst notes that parking fine revenues owed by DPT to the Port are likely to increase in FY 2005-2006, although the amount by which such revenues will increase has not been determined by the Port and the MTA, and payment of such additional revenues will have a further negative impact on the MTA's Budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors, as follows:

Approval of the proposed ordinance means that the Board of Supervisors agrees with the Municipal Transportation Authority and the Department of Parking and Traffic that the proposed parking meter rates of an additional \$1.00 per hour are an appropriate means to generate \$7,440,940 (\$8,765,514 in new parking meter revenues minus \$1,324,574 in new coin collection and counting costs) in additional net revenues in order to help balance MTA's FY 2005-2006 budget, including \$6,600,000 of additional revenues to Muni (See Comment No. 3).

Disapproval of the proposed ordinance means that the Board of Supervisors prefers that MTA and DPT find means other than increasing parking meter rates by \$1.00 per hour for all parking meter areas to help balance MTA's FY 2005-2006 budget.

**Department of Parking and Traffic
Proposed Parking Meter Rates**

Rate Area	Number of Spaces	Current Rate	Proposed Rate	% Increase	Estimated FY 2005-2006 Revenue without Increase	Estimated FY 2005-2006 Revenue with Increase for Full Year	Estimated FY 2005-2006 Revenue with Increase for 9 months*
Area 1	2,856	2.00	3.00	50%	2,021,961	2,952,028	2,719,511
Downtown							
Ring around downtown	4,147	1.50	2.50	67%	4,165,210	6,141,602	5,647,504
All other areas	13,662	1.00	2.00	100%	16,002,396	23,791,705	21,844,378
Area 3							
Fishermans' Wharf	443	1.50	2.50	67%	782,731	1,131,506	1,044,312
Area 4							
Off-Street Metered Lots	664	1.00	2.00	100%	1,020,072	1,601,364	1,456,041
TOTAL	21,772				\$ 23,992,370	\$ 35,618,205	\$ 32,711,746

Projected FY 2004-2005 Revenue	23,946,232	Total Projected FY 2005-2006 Revenue
Revenue in FY 2005-2006 vs. FY 2004-2005		
Annually	11,671,973	35,618,205
FY 2005-2006*	8,765,514	32,711,746

*Note: Assuming a July 1 effective date, additional revenue for FY 2005-2006 will be reduced by a three-month implementation period.

Department of Parking and Traffic
Enforcement and Coin Counting and Collection Costs

	FY 2004-2005	Projected	FY 2005-2006
Enforcement			
Labor	\$11,532,079	\$11,549,924	
Non-Labor	\$1,931,794	\$1,931,794	
Subtotal	\$13,463,873	\$13,481,718	
 Coin Counting/Collection			
Collection	1770588	2,892,866	
Counting	436195	638,491	
Subtotal	2,206,783	3,531,357	
Total	<hr/> \$15,670,656	\$17,013,075	

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

Item 6 - File 05-0372

- Departments:** Department of Parking and Traffic (DPT)
Municipal Railway (Muni)
Municipal Transportation Agency (MTA)
Port Commission (Port)
- Item:** Ordinance amending San Francisco Traffic Code Section 132 to (a) increase fines for various parking violations, (b) correct the penalties for Vehicle Code Sections 22523.A and 22523.B by decreasing the fines to \$200, and (c) correct the penalty for Vehicle Code Section 22526.B by decreasing the fine to \$100.
- Description:** The proposed ordinance would amend the San Francisco Traffic Code by a) increasing the fines for 107 parking violations and b) decreasing the fines for 3 parking violations, as detailed in the Attachment to this report, provided by Ms. Diana Hammons of the Department of Parking and Traffic (DPT). According to Ms. Hammons, the proposed ordinance would increase the enforced fines for the subject 107 violations by a range of \$5 to \$50 and reduce fines for the subject 3 violations, in order to be compliant with State law. by \$3 each.
- Comments:**
1. According to Ms. Hammons, prior to 1992, parking violations were administrated by the Municipal Court. However, Ms. Hammons advises that the State, through Assembly Bill 408, transferred the responsibility for handling parking violations from the Municipal Court to the DPT in 1992. Ms. Hammons advises that the majority of the 107 fines for parking violations proposed to be increased, as listed in the Attachment, were increased by the Board of Supervisors in April of 2003 (File No. 03-0242).
 2. Mr. John Kennedy of the City Attorney's Office advises that the proposed ordinance lowers the fine amounts for violations of Vehicle Code (VC) Sections 22523.A, 22523.B, and 22526.B, in order to bring the City's parking fines in compliance with State law. The proposed ordinance would adjust the fine levels as follows: a) the existing \$203 fine for violations of VC Sections 22523.A

and 22523.B (Abandoned Vehicles) would be reduced to \$200, a reduction of \$3; and b) the existing \$103 fine for violations of VC Section 22526.B (Blocking Intersection While Turning) would be reduced to \$100, also a reduction of \$3.

3. According to Ms. Hammons, Muni estimates that parking violation fines will generate \$85,648.147 in revenues in FY 2004-2005. Ms. Hammons advises that, as shown in Attachment I, under the existing fine levels, Muni estimates that the Department would receive \$85,648,147 in parking fine revenues in FY 2005-2006, or the same revenues as FY 2004-2005.

Ms. Hammons advises that the proposed ordinance is estimated to result in a total of \$99,654,634 in annual revenues, which is \$14,006,487 or 16.4 percent more annually in new parking fine revenues than currently collected. Ms. Hammons advises, however, that due to a delay between the implementation of increased parking violation fines and the time for payment processing and collections, Muni will not begin to realize such increased revenues as a result of the proposed ordinance until September 1, 2005, or two months after the start of FY 2005-2006. Therefore, Ms. Hammons advises that the proposed ordinances are estimated to result in a total of \$97,320,220, which is \$11,672,073 in new parking fine revenues in FY 2005-2006.

According to Ms. Hammons, pursuant to the City Charter, new parking revenue generated by changes in fines results in a reduction to Muni's annual General Fund allocation in the amount of 50 percent of such an increase. Therefore, of the estimated \$11,672,073 of additional revenue that the proposed parking fine increases would generate in FY 2005-2006, approximately \$5,836,036 would be offset by a reduction in the General Fund appropriation to Muni and the remaining approximately \$5,836,036 would accrue to the Municipal Transportation Enterprise Fund. Therefore, of the estimated \$97,320,220 in parking fine revenues in FY 2005-2006, \$91,484,184 would accrue to the Municipal Transportation Enterprise Fund in FY 2005-2006 (\$97,320,220 in parking fine

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

revenues minus \$5,836,036 in an offsetting General Fund reduction).

4. Ms. Hammons advises that Muni has included total revenues of \$93,253.991 from proposed parking fine revenues in the MTA's proposed FY 2005-2006 Budget, which was submitted to the MTA Commission in February of 2005. The Budget Analyst notes that the projected parking fine revenues in this report for FY 2005-2006 of \$91,484,184 are \$1,769,807, or 1.9 percent, less than expected parking fine revenues in MTA's proposed FY 2005-2006 Budget of \$93,253.991. Ms. Hammons advises that the numbers in this Budget Analyst report reflect more recent projections by DPT, which take into account (a) legislative delays in ordinance implementation and (b) revised projections for FY 2005-2006, such that these revenue projections are more accurate than the revenue projections in MTA's FY 2005-2006 Budget. This discrepancy of \$1,769,807 between the MTA's proposed FY 2005-2006 Budget and these more recent, accurate revenue projections are addressed in the Budget Analyst's report on the MTA's proposed FY 2005-2006 Budget.

5. Ms. Hammons advises that the estimated increased revenues assume that the proposed fine increase would have a deterrent effect on illegal parking behavior. For example, as shown on page 2 of the Attachment in the Compliance column, the TC37C Street Cleaning parking violation fine, which would increase from \$35 to \$40, a \$5 or 14.3 percent increase, is estimated to reduce the incidence of such a violation by 5 percent based on results from previous fine increases. Therefore, projected total additional revenues from TC37C parking violation fines of \$2,457,627 reflect an assumed reduced incidence of such violations by 5 percent.

Ms. Hammons further advises that the revenue estimates include a collection rate of 80 percent, which is the current percentage of actual collections compared to issued citations. According to Ms. Hammons, an 80 percent collection rate is above the industry standard for collection of parking violation fines.

6. According to Ms. Hammons, the MTA has a work order with the Port Commission (Port) for parking enforcement at the Port's 980 parking meters. Ms. Hammons advises that this work order is part of a Memorandum of Understanding (MOU) between the Port and MTA which was agreed to in FY 1996-1997 and expires in FY 2016-2017. Ms. Hammons further advises that, under this MOU, DPT is responsible for reimbursing the Port for past parking fine revenues collected on Port property by DPT, but not yet paid to the Port, as well as for current parking fine revenues collected on Port property by DPT. According to Ms. Hammons, the MTA's proposed FY 2005-2006 Budget includes \$1,200,000 for such payment to the Port, which is the same amount that was included in the MTA's FY 2004-2005 Budget.

Ms. Tina Olson of the Port advises that, under the proposed ordinance, the parking fine revenues owed by DPT to the Port would increase in FY 2005-2006, although the amount by which such revenues would increase has not been determined by the Port and the MTA. Ms. Hammons advises that the MTA will determine the amount of such revenue increase to the Port by the May 12, 2005, meeting of the Budget and Finance Committee. The Budget Analyst notes that such additional revenues to be paid to the Port are not included in the MTA's FY 2005-2006 Budget, and payment of such additional revenues will have a further negative impact on the MTA's Budget.

7. Mr. Kennedy advises that the Budget and Finance Committee may amend the proposed ordinance to reduce the fine amounts for parking violations stated in the proposed ordinance without noticing and conducting a new hearing. However, Mr. Kennedy further advises that if the Budget and Finance Committee wishes to amend the proposed ordinance to increase any of the subject fines, such action will require additional noticing and a new hearing.

8. The Budget Analyst notes that the proposed ordinance is one of four proposed ordinances for consideration by the

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

Board of Supervisors as a means to increase revenues to the MTA in FY 2005-2006. As noted in Comments No. 4 and 6 of this report, the revenues budgeted in the MTA's proposed FY 2005-2006 Budget and the amounts now forecast differ. In the chart below, compiled by the Budget Analyst, each of the proposed ordinances, identified by Item and File No., are shown including (a) the amount of revenue budgeted by the MTA in its proposed FY 2005-2006 Budget, (b) the amount of revenue now forecast by the MTA for FY 2005-2006 revenues of each subject ordinance, and (c) the difference between these figures.

FY 2005-2006 Budgeted Vs. Updated Projected Revenues				
Item No.	File No.	MTA Proposed FY 2005-2006 Budget Projection	Updated Projection	Difference
3 & 4	05-0329 & 05-0371	\$5,443,305	\$4,896,900	(\$546,405)
5	05-0370	31,277,120	32,711,746	1,434,626
6	05-0372*	93,253,991	91,484,184	(1,769,807)
	Total	\$129,974,416	\$129,092,830	(\$881,586)

*As noted in Comment No. 6 of this report, the Budget Analyst notes that parking fine revenues owed by DPT to the Port are likely to increase in FY 2005-2006, although the amount by which such revenues will increase has not been determined by the Port and the MTA. and payment of such additional revenues will have a further negative impact on the MTA's Budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors, as follows:

Approval of the proposed ordinance means that the Board of Supervisors agrees with the Municipal Transportation Agency, the Department of Parking and Traffic, and the Municipal Railway that the proposed increased fines for parking violations are an appropriate means to generate \$11,672,073 in additional revenues, of which approximately \$5,836,036 would accrue to the Municipal Transportation Enterprise Fund and result in a \$5,836,036 reduction in the General Fund appropriation to Muni, in order to help balance MTA's and the City's FY 2005-2006 budget.

Disapproval of the proposed ordinance means that the Board of Supervisors prefers that MTA, DPT, and Muni find means other than increasing fines for parking

Memo to Budget and Finance Committee
May 12, 2005 Budget and Finance Committee Meeting

violations to help balance MTA's and the City's FY 2005-2006 budget.

Debra Rose
cc: Harvey M. Rose

cc: Supervisor Ammiano
Supervisor Daly
Supervisor Elsbernd
Supervisor Ma
Supervisor McGoldrick
President Peskin
Supervisor Alioto-Pier
Supervisor Dufty
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Clerk of the Board
Controller
Erin McGrath
Ted Lakey
Cheryl Adams

Traffic Code Section	Description	Projected Issuance FY 2006	Current Fine	Proposed Fine	Proposed Difference	Compliance Rate Decline	Instance with Increase FY 2006	Reduced by 20% (80% Collection Rate)	Projected Revenue Increase
PC97/A	Occupy Camper etc.	2	\$76.00	\$100.00	\$24	5%	2	1	34
PC710.2	For Sale Sign	1,237	\$20.00	\$50.00	\$30	5%	1,176	940	28,213
PC3703A	Car Alarm / Energy	104	\$55.00	\$65.00	\$10	5%	99	79	789
PC3703B	Car Alarm 15 Min	36	\$55.00	\$65.00	\$10	5%	34	27	272
PC3704A	Alarm Time 15 Min	4	\$28.00	\$50.00	\$22	5%	3	3	61
TC21.1	Remove Chalk 1st	65	\$25.00	\$50.00	\$25	5%	62	50	1,239
TC21.2	Remove Chalk 2nd	1	\$50.00	\$75.00	\$25	5%	1	1	17
TC21.3	Remove Chalk 3rd	-	\$75.00	\$100.00	\$25	5%	-	-	-
TC27	MC Parking Zone	814	\$50.00	\$75.00	\$25	5%	773	619	15,465
TC31.2	Cable Car Lanes	1	\$25.00	\$50.00	\$25	5%	1	1	17
TC32A.1	Towaway Zone--Downtown	35,371	\$50.00	\$60.00	\$10	5%	33,602	26,882	268,817
TC32A.2	Towaway Zone--Other areas	28,498	\$50.00	\$60.00	\$10	5%	27,073	21,658	216,581
TC32B	Prolif Parking	20,405	\$50.00	\$60.00	\$10	5%	19,385	15,508	155,077
IC32C.1	Overtime Parking--Downtown	12,790	\$40.00	\$50.00	\$10	5%	12,151	9,721	97,207
IC32C.2	Overtime Parking--Other Areas	47,754	\$35.00	\$50.00	\$15	5%	45,366	36,293	544,391
TC32.1	City Hall Permit	6	\$25.00	\$40.00	\$15	5%	5	5	63
TC32.1.1	Main Library	7	\$25.00	\$40.00	\$15	5%	7	6	84
TC32.1.2	Libraries	121	\$25.00	\$40.00	\$15	5%	115	92	1,382
TC32.1.3	Social Services	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.1.4	Housing Authority	113	\$25.00	\$40.00	\$15	5%	107	86	1,288
TC32.1.5	Muni Rwy Terminals	226	\$25.00	\$40.00	\$15	5%	215	172	2,576
TC32.1.6	Prk Ctrl / Castro	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.1.7	Prk Ctrl / SFUSD Prop	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.1.8	Prk Ctrl / Plum Street	602	\$25.00	\$40.00	\$15	5%	572	457	6,860
TC32.1.9	Prk Ctrl / PUC Prop	28	\$25.00	\$40.00	\$15	5%	27	22	325
TC32.1.10	Prk Ctrl / Wash & Jack	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.1.11	Prk Ctrl / DPW Prop	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.2	Prk Ctrl / SF General	1,785	\$25.00	\$40.00	\$15	5%	1,696	1,357	20,348
TC32.2.1	Health Center No. 1	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.2.2	Sunset / Richmond HC	11	\$25.00	\$40.00	\$15	5%	10	8	126
TC32.2.3	NE Dist Health Center	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.3	Laguna Honda Hospital	301	\$25.00	\$40.00	\$15	5%	286	229	3,435
TC32.3.1	Prk Ctrl / DPH Grove St	-	\$25.00	\$40.00	\$15	5%	-	-	-
TC32.4	Candleslick Access, Rd	130	\$25.00	\$40.00	\$15	5%	123	98	1,477
TC32.4.2A	Fire Lane / Candleslick	3	\$25.00	\$40.00	\$15	5%	3	2	31
TC32.4.2B	Pkg / Candleslick	127	\$25.00	\$40.00	\$15	5%	120	96	1,445
TC32.5	Youth Guild Center	299	\$25.00	\$40.00	\$15	5%	284	227	3,404
TC32.6	Pk Regs / Various	1,083	\$25.00	\$40.00	\$15	5%	1,029	823	12,347
TC32.10	Off Street Parking	10,817	\$35.00	\$50.00	\$15	5%	10,276	8,221	123,317
TC32.12	Off St Overtime	252	\$35.00	\$50.00	\$15	5%	239	191	2,869
TC32.13	Off St Parallel / Diag	18	\$25.00	\$35.00	\$10	5%	17	14	140

TC32.14	Oft St / Marked Space	580	\$25.00	\$35.00	\$10	5%	551	441	4,405
TC32.21A	Block Charging Bay	-	\$100.00	\$100.00	\$0	0%	-	-	-
Temp Park Restriction	\$25.00	\$40.00	\$15	5%	\$3,603	2,882	43,231	43,231	39,639
TC33.1	Temp Constr Zone	3,792	\$25.00	\$40.00	\$15	5%	3,303	2,643	39,639
TC33.1	Spec Truck Zone	3,477	\$25.00	\$40.00	\$15	5%	5,989	4,791	47,914
TC33.3	Heavy Truck Zone	6,304	\$50.00	\$60.00	\$10	5%	15	12	119
TC33.3.1	Market / Bay Truck Zone	16	\$50.00	\$60.00	\$10	5%	1,889	1,511	15,408
TC33.3.2	School Bus Zone	1,988	\$50.00	\$60.00	\$10	5%	1,398	1,118	27,962
TC33.5	Parking Over 72 Hr	1,472	\$50.00	\$75.00	\$25	5%	2,089	1,671	33,429
TC37A	Street Cleaning	2,199	\$55.00	\$75.00	\$20	5%	614,407	491,525	2,457,627
TC37C	Red Zone	646,744	\$35.00	\$40.00	\$5	5%	17,046	13,637	340,919
TC38A	Yel Zone / Metro Dist.	17,943	\$50.00	\$75.00	\$25	5%	14,823	11,859	118,387
TC38B	Yel Zn Outside Meto While Zone	15,604	\$50.00	\$60.00	\$10	5%	23,676	18,941	189,405
TC38C	Green Zone	24,922	\$50.00	\$60.00	\$10	5%	10,244	8,195	204,380
TC38D	Blue Zone	10,783	\$50.00	\$75.00	\$25	5%	1,399	1,119	27,979
TC38K	Block Bike Lane	1,473	\$25.00	\$50.00	\$25	5%	-	-	-
TC38N	Taxicab Zone	-	\$275.00	\$275.00	\$0	0%	-	-	-
TC50	Interference / Sign	169	\$100.00	\$100.00	\$0	0%	169	135	4,671
TC53A	Dhi Prkng Rstrct St	-	\$25.00	\$60.00	\$10	5%	-	-	-
TC55	Angled Parking	44	\$100.00	\$100.00	\$0	5%	42	34	-
TC56	Median Dividers	3,550	\$35.00	\$35.00	\$10	0%	3,550	2,840	28,397
TC58A	Block Wheels	2,619	\$25.00	\$50.00	\$25	5%	2,488	1,990	49,762
TC58C	Not Within Space	39,201	\$25.00	\$35.00	\$10	5%	37,241	29,793	297,929
TC60	Bus / Close to Curb	2,054	\$25.00	\$35.00	\$10	5%	1,951	1,561	15,611
TC60.5	Engine Idle Partied	-	\$25.00	\$35.00	\$10	5%	-	-	-
TC61	100 F-eel Oversize	6	\$100.00	\$100.00	\$0	0%	6	5	-
TC63	Com Veh / Prk Limited	30	\$25.00	\$50.00	\$25	5%	29	23	576
TC63.2	Com Veh / Prk Restricted	119	\$100.00	\$100.00	\$0	0%	119	96	-
TC63.3	Veh Hirre / Prk Restricted	16	\$100.00	\$100.00	\$0	0%	16	12	-
TC63.4	Shift Parked Vehicle	23,743	\$100.00	\$100.00	\$0	0%	23,743	18,995	-
TC65	Repairing Vehicle	3	\$25.00	\$50.00	\$25	5%	3	2	52
TC66	Tour Bus Loading	6	\$45.00	\$55.00	\$10	5%	6	5	49
TC69	Key in Unattended Veh	48	\$100.00	\$100.00	\$0	0%	48	38	-
TC70	Improperly Parked	319	\$25.00	\$35.00	\$10	5%	303	242	2,423
TC71	Parked Near RR Track	15	\$25.00	\$35.00	\$10	5%	14	11	112
TC71B	Obstr Flow of Traffic	-	\$25.00	\$35.00	\$10	5%	-	-	-
TC202	Prk Meler	13	\$25.00	\$35.00	\$10	5%	12	10	98
TC202.1	Prk Meter Downtown	410,904	\$35.00	\$50.00	\$15	5%	390,359	312,287	4,684,306
VC4464	Altered Plates	105,888	\$40.00	\$50.00	\$10	5%	100,593	80,475	804,747
TC219	Parking Meter M/C	579	\$50.00	\$75.00	\$25	5%	550	440	10,996
TC315A	Residential Permit Area	221,165	\$35.00	\$50.00	\$15	5%	210,107	168,085	2,521,282
TC315C	Unauth Permit	183	\$25.00	\$50.00	\$25	5%	174	139	3,473
VC4462B	Imp Regis. / Plates	17	\$25.00	\$50.00	\$25	5%	17	13	332
VC5201	Plates / Mounting	3	\$25.00	\$50.00	\$25	5%	3	2	52
VC5201E	Plate Cover	-1,818	\$25.00	\$50.00	\$25	5%	1,727	1,382	34,542
VC5202	Period of Display	612	\$25.00	\$50.00	\$25	5%	581	465	11,625
VC5204A	Tabs	4	\$25.00	\$50.00	\$25	5%	3	3	70
VC21113A	School / Pub Ground	34,707	\$50.00	\$50.00	\$0	0%	34,707	27,766	-
		6,923	\$35.00	\$45.00	\$10	5%	6,577	5,614	-

		<u>Annual</u>	<u>Est Increase</u>	<u>MTA Share (50%)</u>	<u>FY 2005-2006</u>	<u>Est Increase</u>	<u>MTA Share (50%)</u>
VC21214A	Bicycle Path / Lanes	1	\$25.00	\$25	5%	137	110
VC22500A	Parking in Intersection	144	\$50.00	\$75.00	5%	10,075	8,060
VC22500B	Parking / Crosswalk	10,606	\$50.00	\$75.00	5%	4	2,740
VC22500C	Safety Zone	6	\$25.00	\$75.00	5%	5	209
VC22500D	15 ft Fire Station	5	\$25.00	\$75.00	5%	4	175
VC22500E	Driveway	29,582	\$75.00	\$0	0%	29,582	-
VC22500F	On Sidewalk	41,572	\$100.00	\$0	0%	41,572	-
VC22500G	Excavation	27	\$25.00	\$35.00	5%	25	202
VC22500H	Double Parking	19,187	\$55.00	\$65.00	5%	18,228	14,582
VC22500I	Bus Zone	6,810	\$250.00	\$250.00	0%	6,810	5,448
VC22500J	Tube or Tunnel	4	\$25.00	\$35.00	5%	3	28
VC22500K	Bridge	-	\$25.00	\$35.00	5%	-	-
VC22500L	Wheelchair Access	2,100	\$250.00	\$250.00	0%	2,100	1,680
VC22500M	Parking in Fire Lane	1,870	\$25.00	\$50.00	5%	1,777	1,421
VC22500N	Over 18 in from Curb	5	\$25.00	\$35.00	5%	4	35
VC22500A	Wrong Way Parking	467	\$25.00	\$35.00	5%	443	355
VC22500B	One-Way Road / Pkg	4	\$25.00	\$35.00	5%	3	3
VC22500C	Unincorp. Area Pkg	-	\$25.00	\$35.00	5%	-	-
VC22500D	Signs	1,501	\$25.00	\$35.00	5%	1,426	1,141
VC22500E	Disabled Parking	176	\$250.00	\$250.00	0%	176	141
VC22500F	Disabled Parking	127	\$250.00	\$250.00	0%	127	101
VC22500G	Disabled Parking	529	\$250.00	\$250.00	0%	529	423
VC22511.56B	Misuse of Placard	-	\$500.00	\$500.00	0%	-	-
VC22511.56C	Confiscation of Placard	152	\$500.00	\$500.00	0%	152	121
VC22511.57	Lost, Stolen Placard	13,880	\$500.00	\$500.00	0%	13,880	11,104
VC22514	Fire Hydrant	3	\$50.00	\$75.00	5%	3	58
VC22515A	Unattended Motor Vehicle	234	\$50.00	\$60.00	5%	223	178
VC22515B	Unattended Vehicle	-	\$50.00	\$60.00	5%	-	-
VC22516	Locked Vehicle	-	\$35.00	\$45.00	5%	-	-
VC22517	Stop / Freeway	251	\$25.00	\$35.00	5%	238	191
VC22521	RR Tracks	1,779	\$55.00	\$65.00	5%	1,690	1,352
VC22522	W/3 ft Handicap Ramp	5	\$275.00	\$275.00	0%	5	4
VC22523A	Abandoned Vehicle / Highway	-	\$203.00	\$200.00	0%	-	-
VC22523B	Abandoned Vehicle / Public or P	315	\$203.00	\$200.00	0%	315	252
VC22526A	Blocking Intersection	216	\$50.00	\$75.00	5%	205	164
VC22526B	Blocking intersection While Turr	1	\$103.00	\$100.00	0%	1	(2)
VC23333	Park / Veh Crossing	-	\$50.00	\$60.00	5%	-	-
Total Issuance		1,887.235			1,800.754	1,440,603	\$ 14,006,487

[Budget Analyst Report]
SF Public Library #41
Govt. Information Center, 5th Flr.
ATTN: Michael Sherrod-Flores

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
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DOCUMENTS DEPT.

MAY 12 2005

SAN FRANCISCO
PUBLIC LIBRARY

May 10, 2005

TO: ☷ Budget and Finance Committee
FROM: ☷ Budget Analyst
SUBJECT: May 12, 2005 11:00 a.m. Rescheduled Budget and Finance Committee Meeting

Item 2 – File 05-0793

Item: Hearing to consider the Annual Budget for the Municipal Transportation Agency (MTA) for Fiscal Year 2005-2006.

Description: The Budget and Finance Committee has directed the Budget Analyst to conduct a line item review of the proposed FY 2005-2006 budget for the Municipal Transportation Agency (MTA) and present a report with recommendations to the Committee.

The FY 2005-2006 proposed MTA budget was submitted to the Mayor and the Board of Supervisors on February 28, 2005. Since that time, numerous technical changes and system calculations have caused changes in the proposed budget. On May 2, 2005, the Mayor submitted a recommended FY 2005-2006 budget for selected departments (the May Budget) to the Board of Supervisors that included the MTA.

Memo to Budget and Finance Committee
May 10, 2005 Budget and Finance Committee Meeting

Since the transmittal of the May Budget to the Board of Supervisors, the Controller has issued the Nine-Month Budget Status Report, which has resulted in changes to Baseline General Fund Support for the MTA as required under Charter Section 8A.

MTA's proposed FY 2005-06 budget is based on the assumption that the MTA needed to correct for a revenue shortfall of approximately \$57.4 million. Overall, MTA's net budget has increased by \$24,797,510. Increased revenues result from a proposed transit fare increase for Muni which is estimated to increase revenues in FY 2005-06 by approximately \$13.1 million. In addition, the MTA budget is balance based on increased Parking Garage revenues of approximately \$2.8 million, increased parking permit revenue, parking meter revenue and parking fine revenue of approximately \$17.6 million (which is partially offset by increased coin counting costs of approximately \$1.4 million) and an increase in the Administrative Tow Fee of approximately \$550,000.

The MTA also receives Baseline General Fund Support as required under Charter Section 8.A. The Controller's Six-Month Budget Status Report, issued in February of 2005 estimated that the FY 2004-05 current year Baseline General Fund Support for the MTA would decline by approximately \$930,000 from the original budget for the current year. The Table below provides a comparison of the Controller's six-month projection to the original budget for Baseline General Fund Support.

Decline in Baseline GFS in FY 2004-05 Based on Six-Month Report

	Original FY 2004-4005 MTA Budget	Controller's Six- Month Report Estimates	Over / (Under) Original Budget
Muni	\$ 98,859,258	\$ 98,109,258	\$ (750,000)
Parking and Traffic	<u>35,106,000</u>	<u>34,926,000</u>	<u>(180,000)</u>
Total	\$ 133,965,258	\$ 133,035,258	\$ (930,000)

Memo to Budget and Finance Committee
May 10, 2005 Budget and Finance Committee Meeting

Further, the MTA's proposed FY 2005-2006 budget includes reduced Baseline General Fund Support of approximately \$2.6 million for Muni, offset by an increase of \$513,000 for Parking and Traffic based on initial estimates provided by the Controller, as shown in the table below.

Baseline GFS in MTA's Proposed FY 2005-2006 Budget

Baseline GFS	FY 2004-2005 Proposed MTA Budget	FY 2005-2006 MTA Proposed Budget	Increase / (Decrease)
Muni	\$ 98,859,258	\$ 96,252,208	\$ (2,607,050)
Parking and Traffic	<u>35,106,000</u>	<u>35,619,000</u>	<u>513,000</u>
Total	\$ 133,965,258	\$ 131,871,208	\$ (2,094,050)

On May 3, 2005, well after the MTA's proposed FY 2005-06 budget was transmitted to the Mayor and the Board of Supervisors, the Controller issued the updated Nine-Month Budget Status Report which projected an overall improvement in FY 2004-2005 General Fund revenues. This revenue improvement resulted in increased estimated Baseline General Fund Support for the MTA in the current fiscal year as shown in the table below.

Nine-Month Report Improvement to MTA's FY 2004-2005 Baseline GFS

	Over /			
	Controller's Six- Month Report	Controller's Nine Month Report	(Under) Six- Month Estimate	Over / (Under) Original Budget
	Estimates	Estimate	Estimate	Budget
Muni	\$ 98,109,258	\$ 101,320,000	\$ 3,210,742	\$ 2,460,742
Parking and Traffic	<u>34,926,000</u>	<u>36,070,000</u>	<u>1,144,000</u>	<u>964,000</u>
Total	\$ 133,035,258	\$ 137,390,000	\$ 4,354,742	\$ 3,424,742

Overall, because of projected over-expenditures by the MTA for platform salaries for Transit Operators and fuel costs, partially offset by planned expenditure savings, and revenue weaknesses in transit fares the Controller is projecting that the MTA will end FY 2004-2005 with an operating surplus of approximately \$2.69 million due to the increased Baseline General Fund Support described above.

Memo to Budget and Finance Committee
May 10, 2005 Budget and Finance Committee Meeting

The increased FY 2004-2005 General Fund revenues estimated in the nine-month report also results in increased Baseline General Fund support for FY 2005-2006. Based on the current projections for General Fund discretionary revenues, the Controller has revised the estimated Baseline General Fund Support for the MTA as shown in the table below.

Increased MTA Baseline GFS for FY 2005-2006 over MTA's Proposed Budget

Baseline GFS	MTA Proposed FY 2005-06 May		
	FY 2005-06 Budget	10 Controller's Projection	Increase
Muni	\$ 96,252,208	\$ 101,814,000	\$ 5,561,792
Parking and Traffic	<u>35,619,000</u>	<u>36,614,000</u>	<u>995,000</u>
Total	\$ 131,871,208	\$ 138,428,000	\$ 6,556,792

Based on the changes to Baseline General Fund Support for the MTA in FY 2004-05 of \$4,354,732 over the six month projection described above and the increased Baseline General Fund Support estimated for the MTA's FY 2005-2006 proposed budget of \$6,556,792, the MTA will have \$10,911,534 more revenue than originally estimated in the preparation of the proposed FY 2005-2006 MTA budget. In addition, as noted above, the Controller now estimates that the MTA will finish the current FY 2004-05 with a surplus of \$2.69 million. This surplus of \$2,690,000 plus the increased Baseline General Fund Support for FY 2005-2006 of \$6,556,792 represents new sources of funds that totals an estimated \$9,246,792.

Our report also provides recommendations for expenditure savings resulting from our line item review as directed by the Budget and Finance Committee. Overall expenditure reductions identified in our review of the FY 2005-2006 MTA budget total \$2,888,963. The Budget Analyst notes however, that under Charter Section 8.A, the Board of Supervisors is not permitted to amend the MTA's proposed budget.

Memo to Budget and Finance Committee
May 10, 2005 Budget and Finance Committee Meeting

H. Rose

6/05 Harvey M. Rose

cc: Supervisor Ammiano
Supervisor Daly
Supervisor Elsbernd
Supervisor Ma
Supervisor McGoldrick
President Peskin
Supervisor Alioto-Pier
Supervisor Dufty
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Clerk of the Board
Controller
Erin McGrath
Ted Lakey
Cheryl Adams

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT: MTA – MUNICIPAL TRANSPORTATION AGENCY

FINANCIAL DATA:

The Municipal Transportation Agency's proposed \$584,681,030 budget for FY 2005-2006 is \$24,797,510, or 4.4 percent more than the original FY 2004-2005 budget of \$559,883,520.

SUMMARY OF PROGRAM EXPENDITURES:

Program	FY 2004-2005 Original Budget	FY 2005-2006 Proposed Budget	Proposed Increase (Decrease) vs. FY 2004-2005 Budget
Caltrain Joint Powers Board	\$6,337,070	\$6,337,070	\$0
Fast Pass on BART	9,437,653	9,437,653	0
Legal	15,898,811	16,148,811	250,000
Muni Capital Planning & External	1,656,949	1,735,645	78,696
Muni Construction	10,560,745	3,821,924	(6,738,821)
Muni Executive Office, Security, Safety	16,827,132	17,361,249	534,117
Muni Finance & Administration	16,730,039	16,159,276	(570,763)
Muni Human Resources	5,693,764	6,060,966	367,202
Muni Maintenance	121,012,670	126,799,105	5,786,435
Muni Service Operations & Schedules	26,890,523	26,524,501	(366,022)
Muni Transportation	183,000,259	198,057,408	15,057,149
Muni-wide Benefits	25,790,031	27,648,249	1,858,218
Muni-wide Services	2,682,968	6,756,373	4,073,405
Paratransit	20,073,976	20,073,976	0
Parking & Traffic Administration	5,377,496	5,483,846	106,350
Parking & Traffic Enforcement	30,422,343	28,180,220	(2,242,123)
Parking Citations	11,456,452	12,425,537	969,085
Parking Garages, Lots & Meters	22,196,416	22,064,375	(132,041)
Residential Permit Parking	1,017,165	1,336,490	319,325
Traffic Engineering & Operations	13,122,192	23,956,034	10,833,842
Workers Compensation	24,025,000	26,945,300	2,920,300
Departmental Transfer Adjustment	(10,326,134)	(18,632,978)	(8,306,844)
Total	\$559,883,520	\$584,681,030	\$24,797,510

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

DEPARTMENT PERSONNEL SUMMARY:

Including all positions, the total number of full-time equivalent positions budgeted for FY 2005-2006 is 4,494.38 FTEs, which is 154.96 FTEs less than the 4,749.34 FTEs in the original FY 2004-2005 budget. The MTA FTE count decrease is reduced to 150.25 when subtracting non-operating and work order funded positions. The FTE allocations by program are as follows:

Full-Time Equivalent Positions:		FY 2004-2005 Original Budget	FY 2005-2006 Proposed Budget	Proposed Increase (Decrease) from 2004-2005 Original Budget	Proposed Increase (Decrease) from 2004-2005 Original Budget
Program					
Muni Finance & Administration		121.15	120.01	(1.14)	
Muni Executive Office, Security, Safety		126.55	147.49	20.94	
Muni Capital Planning & External		5.45	4.56	(0.89)	
Muni Human Resources		48.65	49.47	0.82	
Muni Transportation		2,178.32	2,032.62	(145.70)	
Muni Maintenance		1,111.33	1,106.51	(4.82)	
Muni Service Operations & Schedules		258.95	246.00	(12.95)	
Muni Subtotal		3,850.40	3,706.66	(143.74)	(143.74)
Parking & Traffic Administration		22.14	24.65	2.51	
Parking Garages, Lots & Meters		30.53	29.53	(1.00)	
Parking & Traffic Enforcement		327.03	325.70	(1.33)	
Traffic Engineering & Operations		66.87	67.99	1.12	
Residential Permit Parking		13.16	16.19	3.03	
Parking Citation		44.94	44.84	(0.10)	
Parking and Traffic Subtotal		504.67	508.90	4.23	4.23
Temporary Salaries		30.71	19.97	(10.74)	(10.74)
Total FTE		4,385.78	4,235.53	(150.25)	(150.25)
Non-Operating and Work Order Funded Positions		363.56	358.85	4.71	4.71
Net Total FTE		4,749.34	4,594.38	(154.96)	(154.96)

As shown in the table above, the MTA's FY 2005-06 proposed budget includes a decrease of 150.25 FTEs. There is a decrease of 143.74 FTEs for MUNI and a 4.23 FTE increase for the Department of Parking and Traffic and a decrease in Temporary positions of 10.74 FTE. Overall, there is a reduction of 150.25 FTEs for MTA. This includes the FTEs associated with temporary salaries non-operating positions funded from capital Projects and workorder funded positions. Overall, there is a total FTE reduction of 10.74 in temporary positions in the proposed FY 05-06 MTA budget.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

As shown in the table above, the Executive Office, Security, and Safety Division is the Division has an increase in the MTA FY 2005-06 budget with an increase of 20.94 FTEs. This is primarily due to the addition of 4.50 new FTE MA04 Division Safety Officer positions and the addition of 15.00 FTE 9916 Public Service Aide-Public Works and an addition of 3.00 FTE 9914 Public Service Aide-Administration positions. These positions are newly created, resulting partially from the filling of positions using Permanent Salaries substituted from temporary salaries as part of the MUNI Transit Assistant Program. The MTA FY 2005-06 budget includes an FTE increase of 19.00 FTE for the Transit Assistant Program, offset by a reduction of 10.30 FTE in temporary FTE positions.

DELETED POSITIONS

The FY 2005-2006 proposed Municipal Transportation Agency budget deletes a total of 172.00 FTEs, including approximately 22 vacant positions and approximately 150 anticipated layoffs. These deleted positions and their savings are detailed in the table below:

FY 2005-2006 Deleted Positions			
Class	Class Title	FTE	Total Reduction
9163	Transit Operator	145.50	\$6,103,101
9139	Transit Supervisor	19.00	1,338,930
8214	Parking Control Officer	6.50	288,744
1002	IS Operator-Journey	1.00	47,865
	Total	172.00	7,778,640
	Mandatory Fringe Benefits*		2,302,477
	TOTAL	172.00	\$10,081,117

* Estimated

As shown in the table above, 145.50 FTE position deletions are from Transit Operator positions. According to Ms. Deb Ward of the Municipal Transportation Agency (MTA), the MTA does not know the exact number of people that will be laid off resulting from the proposed FY 2005-06 budget. However, MTA reports that 150 notices were issued to MTA employees that they will be subject to a possible layoff. Ms. Ward advises that an additional 47 letters were sent to part-time operators stating that they must become full-time employees or possibly be laid off. Further, as of the writing of this report, the MTA is not sure if there will be any early retirements resulting from such layoffs since early retirements cannot occur until adoption of the budget.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

As identified above, the layoffs contained in the MTA's proposed FY 2005-06 budget includes approximately 145.5 transit operators. The FY 2005-06 budget includes zero layoffs of non-Transit Operator positions.

NEW POSITIONS

The FY 2005-2006 proposed Municipal Transportation Agency budget includes 13 new positions (9.50 FTEs due to partial year funding in FY 2005-06). These positions and their costs are detailed in the table below:

Class	Class Title	FTE	Salary	Annual Salary for Each Position
MA04	Division Safety Officer	4.50	\$424,171	\$94,260
1404	Clerk	2.25	\$95,642	42,507
1634	Principal Account Clerk	0.75	\$44,689	59,585
5207	Associate Engineer	0.75	\$65,322	87,096
7345	Electrician	0.75	\$56,024	74,698
8216	Sr. Parking Control Officer	0.50	\$26,531	53,062
Total		9.50	\$712,379	\$411,208
	Mandatory Fringe Benefits*		\$210,864	
	TOTAL	9.50	\$923,243	

*Mandatory Fringe Benefits are estimated

As shown in the table above, the largest FTE increase is 4.50 FTEs for MA04 Division Safety Officer positions. These positions, located in the Executive Office Division are responsible for the coordination and investigation of transit vehicle accidents. The remaining new positions are all in the Parking and Traffic Division.

POSITION EXCHANGES

The Municipal Transportation Agency's proposed FY 2005-2006 budget includes 119.30 FTE position substitutions. Parking and Traffic has a total of 13.00 FTE substitutions. The Municipal Railway has a total of 106.30 FTE substitutions. These position exchanges result in an increased salary costs in the proposed FY 2005-2006 budget by a total of \$350,262, or approximately 0.13 percent of the overall MTA salaries.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

The position exchanges can be classified into four categories as follows: a) New Management Classifications; b) Overhead Line Workers; c) Administrative Positions; and, d) the Transit Assistant Program. The new management classifications will be discussed in detail later in this report. The Overhead Line Workers, Administrative Positions, and Transit Assistant Program substitutions are discussed below.

Overhead Line Worker Substitutions

The MTA's FY 2005-06 budget includes the substitution of 25.0 FTE positions to 7366 Electronic Control System Technician positions. As shown in the table below, 24.0 FTE of the positions are being substituted from Electrical Line Worker positions for an increase in cost of \$131,746 in FY 2005-06. Further, there is one temporary position that would become a 7366 Electronic Control System Technician, with a minor cost savings. The substitutions are presented in the table below.

FY 2004-05 Original Budget			FY 2005-06 Mayor's Proposed Budget					
Job Class	Job Title	FTE	Salary*	Job Class	Job Title	FTE	Salary*	Difference
7338	Electrical Line Worker	24.00	\$1,754,455	7366	Electronic Control System Technician	24.0	\$1,887,753	\$133,298
MA03	MTA Overhead Line Worker	1.00	80,415	7366	Electronic Control System Technician	1.0	78,863	(1,552)
		25.00	\$1,834,870			25.0	\$1,966,616	\$131,746

* Budgeted Salaries at top Step

The February 28, 2005 budget document presented to the MTA Board of Directors by MTA management stated that these positions maintain the electrical equipment and infrastructure required to operate trolley, bus, light rail, and historic streetcar vehicles. Staff indicated that the current pay scale for the 7338 Electrical Line Worker positions is low and that MUNI was unable to retain more experienced employees in these positions. Thus, MTA created a classification that increased qualifications and increased the salary rate.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Administrative Position Substitutions

The MTA FY 2005-06 proposed budget includes numerous other substitutions. Many of the substitutions are related to administrative functions, such as Human Resources and Finance activities. The table below lists all administrative position substitutions for the MTA.

FY 2004-05 Original Budget				FY 2005-06 Mayor's Proposed Budget				
Job Class	Job Title	FTE	Salary	Job Class	Job Title	FTE	Salary	Difference
1241	Personnel Analyst	2.00	\$139,217	1244	Senior Personnel Analyst	2.00	\$162,924	\$23,707
1406	Senior Clerk	1.00	44,072	1408	Principal Clerk	1.00	58,179	14,107
1426	Senior Clerk Typist	1.00	48,448	1408	Principal Clerk	1.00	58,179	9,731
1842	Management Assistant	1.00	63,191	1241	Personnel Analyst	1.00	69,609	6,418
1404	Clerk	2.00	85,014	1424	Clerk Typist	2.00	88,358	3,344
1218	Payroll Supervisor	1.00	76,424	1226	Chief Payroll and Personnel Clerk	1.00	69,317	(7,107)
1446	Secretary II	1.00	53,406	1202	Personnel Clerk	1.00	47,254	(6,152)
1426	Senior Clerk Typist	1.00	48,448	1202	Personnel Clerk	1.00	47,254	(1,194)
		10.00	\$558,220			10.00	\$601,074	\$42,854

* Budgeted Salaries at top Step

Overall, the administrative position substitutions represent an increase in the MTA's FY 2005-06 budget of \$42,854.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Transit Assistant Program

As discussed previously, the MTA's FY 2005-06 proposed budget includes the creation of 19.00 new full-time positions in the Executive Office, Security, Safety Division. These new positions are part of the Transit Assistant Program operated by MTA. This program provides community based staff to ride buses to provide a sense of community and provide a community and security presence on buses, especially in areas of high incidents of crime.

FY 2004-05 Original Budget			FY 2005-06 Mayor's Proposed Budget					
Job Class	Job Title	FTE	Salary	Job Class	Job Title	FTE	Salary	Difference
TEMP	Temporary Positions	10.30	\$687,643	9910	Public Service Trainee	1.00	\$35,374	
				9914	Public Service Aide - Administration	3.00	93,530	
				9916	Public Service Aide - Public Works	15.00	341,510	
		10.30	\$687,643		,	19.00	\$470,414	(\$217,229)

While there is a savings based on salaries, there are associated costs from mandatory fringe benefits. We estimate these costs at approximately \$84,919 in the MTA FY 2005-06 budget. Inclusion of fringe benefits reduces the savings of this substitution from \$217,229 to approximately \$132,310.

ATTRITION SAVINGS

As part of the Budget Analyst's analysis for the Municipal Transportation Agency's proposed FY 2005-2006 budget, we reviewed the Agency's attrition savings. The overall MTA attrition rate is 8.70 percent. The attrition savings rate for the Municipal Railway is 7.68 percent, while the attrition savings rate for the Department of Parking and Traffic is 12.88 percent.

DEPARTMENT REVENUES

MTA's proposed FY 2005-06 budget is based on the assumption that the MTA needed to correct for a revenue shortfall of approximately \$57.4 million. Overall, MTA's net budget has increased by \$24,797,510. Increased revenues result from a proposed transit fare increase for Muni, which is expected to increase revenues in FY 2005-06 by approximately \$13.1 million as described in Comment 1 below. In addition, the MTA budget is balanced based on increased Parking Garage revenues of approximately \$2.8 million, increased parking permit revenue, parking meter revenue and parking fine revenue of approximately \$17.6 million (which is offset by increased coin counting costs of approximately \$1.4 million) and an increase in the Administrative Tow Fee of approximately \$550,000. Each of these revenue increases are more fully described in Comment 1, below.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

The MTA also receives Baseline General Fund Support as required under Charter Section 8.A. The Controller's Six-Month Budget Status Report, issued in February of 2005 estimated that the FY 2004-05 current year Baseline General Fund Support for the MTA would decline by approximately \$930,000 from the original budget for the current year. The Table below provides a comparison of the Controller's six-month projection to the original budget for Baseline General Fund Support.

Decline in Baseline GFS in FY 2004-05 Based on Six-Month Report

	Original FY 2004-4005 MTA Budget	Controller's Six- Month Report Estimates	Over / (Under) Original Budget
Muni	\$ 98,859,258	\$ 98,109,258	\$ (750,000)
Parking and Traffic	<u>35,106,000</u>	<u>34,926,000</u>	<u>(180,000)</u>
Total	\$ 133,965,258	\$ 133,035,258	\$ (930,000)

Further, the MTA's proposed FY 2005-2006 budget includes reduced Baseline General Fund Support of approximately \$2.6 million for Muni, offset by an increase of \$513,000 for Parking and Traffic based on initial estimates provided by the Controller, as shown in the table below.

Baseline GFS in MTA's Proposed FY 2005-2006 Budget

Baseline GFS	FY 2004-2005	FY 2005-2006	Increase / (Decrease)
	Proposed MTA Budget	MTA Proposed Budget	
Muni	\$ 98,859,258	\$ 96,252,208	\$ (2,607,050)
Parking and Traffic	<u>35,106,000</u>	<u>35,619,000</u>	<u>513,000</u>
Total	\$ 133,965,258	\$ 131,871,208	\$ (2,094,050)

On May 3, 2005, well after the submittal of the MTA's proposed FY 2005-06 budget to the Mayor and the Board of Supervisors, the Controller issued the updated Nine-Month Budget Status Report which projected an overall improvement in FY 2004-2005 General Fund Revenue. This revenue improvement resulted in increased estimated Baseline General Fund Support for the MTA in the current fiscal year as shown in the table below.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Nine-Month Report Improvement to MTA's FY 2004-2005 Baseline GFS

	Controller's Six- Month Report	Controller's Nine Month Report	(Under) Six- Month Estimate	Over / (Under) Original Budget
Muni	\$ 98,109,258	\$ 101,320,000	\$ 3,210,742	\$ 2,460,742
Parking and Traffic	<u>34,926,000</u>	<u>36,070,000</u>	<u>1,144,000</u>	<u>964,000</u>
Total	\$ 133,035,258	\$ 137,390,000	\$ 4,354,742	\$ 3,424,742

Overall, because of projected over-expenditures by the MTA for platform salaries for Transit Operators and fuel costs, partially offset by planned expenditure savings, and revenue weaknesses in transit fares the Controller is projecting that the MTA will end FY 2004-2005 with an operating surplus of approximately \$2.69 million due to the increased Baseline General Fund Support described above.

The increased FY 2004-2005 General Fund revenues estimated in the nine-month report also results in increased Baseline General Fund support for FY 2005-2006. Based on the current revenue projections, the Controller has revised the estimated Baseline General Fund Support for the MTA as shown in the table below.

Increased MTA Baseline GFS for FY 2005-2006 over MTA's Proposed Budget

	MTA Proposed FY 2005-06	FY 2005-06 May 10 Controller's	
		Budget	Projection
Baseline GFS			Increase
Muni	\$ 96,252,208	\$ 101,814,000	\$ 5,561,792
Parking and Traffic	<u>35,619,000</u>	<u>36,614,000</u>	<u>995,000</u>
Total	\$ 131,871,208	\$ 138,428,000	\$ 6,556,792

Based on the changes to Baseline General Fund Support for the MTA in FY 2004-05 of \$4,354,732 over the six month projection described above and the increased Baseline General Fund Support estimated for the MTA's FY 2005-2006 proposed budget of \$6,556,792, the MTA will have \$10,911,534 more revenue than originally estimated in the preparation of the proposed FY 2005-06 MTA budget. In addition, as noted above, the Controller now estimates that the MTA will finish the current FY 2004-05 with a surplus of \$2.69 million. This surplus of \$2,690,000 plus the increased Baseline General Fund Support for FY 2005-2006 of \$6,556,792 represents new sources of funds that totals an estimated \$9,246,792.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Comments:

1. Fare Increases

To partially fund MTA's projected \$57.4 million shortfall, the FY 2005-06 MTA budget proposes a fare increase for the Municipal Railway and increases to Parking and Traffic parking meter fees parking fines, garage parking rates, and residential parking permits.

MUNI Fare Increases

The FY 2005-06 proposed MTA budget includes fare increases for MUNI buses and light rail vehicles. The fare increases included in the proposed budget and the increased revenue are shown in the table below.

Fare Type	Current Fare	Proposed Fare	Increase	Percent Increase	Budgeted Revenue Increase
Adult Cash	\$1.25	\$1.50	\$0.25	20.0%	\$4,424,167
Senior/Disabled Cash	\$0.35	\$0.50	\$0.15	42.9%	767,500
Youth Cash	\$0.35	\$0.50	\$0.15	42.9%	405,833
Cable Car Cash	\$3.00	\$5.00	\$2.00	66.7%	2,653,223
Cable Car Souvenir	\$3.00	\$5.00	\$2.00	66.7%	1,077,983
FastPass (Adult)	\$45.00	\$50.00	\$5.00	11.1%	3,076,242
Discount Monthly Fast Pass - Senior, Disabled	\$10.00	\$12.00	\$2.00	20.0%	471,114
Discount Monthly Fast Pass - Youth	\$10.00	\$12.00	\$2.00	20.0%	249,403
Weekly Pass	\$12.00	\$15.00	\$3.00	25.0%	148,870
1 Day Passport	\$9.00	\$11.00	\$2.00	22.2%	245,253
3 Day Passport	\$15.00	\$18.00	\$3.00	20.0%	226,660
7 Day Passport	\$20.00	\$24.00	\$4.00	20.0%	101,133
Class Pass	\$15.00	\$18.00	\$3.00	20.0%	26,667
Tokens	\$10.50	\$15.00	\$4.50	42.9%	819,744
Other Fares	various	various	N/A	N/A	427,495
New Lifeline FastPass Program					(2,000,000)
Total Increased Fare Revenue					\$13,121,287

As shown in the table above, MUNI anticipates generating an additional \$15 million in revenue. This is offset by a loss of \$2 million dollars from implementation of the new Lifeline FastPass Program.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Lifeline FastPass Program

The FY 2005-06 proposed MTA budget includes funding for a new Lifeline FastPass Program. The Lifeline FastPass Program is a program that will be administered by the Department of Human Services to provide subsidized FastPasses to low income residents of the City of San Francisco at a reduced cost of \$35.00. DHS will develop income eligibility standards to determine if residents qualify and will distribute the FastPasses to eligible recipients. The FY 2005-06 MTA budget assumes a reduction in fare revenue of \$2,000,000 to provide subsidized Lifeline FastPasses. Further, the budget contains a new work order to DHS for \$250,000 to administer the program.

Parking and Traffic Parking Garage Rate Increases

The proposed FY 2005-06 budget includes increases in parking rates for various garages operated by MTA. The MTA Board of Directors approved increases to Parking Garages on February 28, 2005. Ms. Diana Hammons of the MTA reports that the increased rates for parking garages were effective on April 1, 2005. The FY 2005-06 proposed budget is balanced based on the increased revenue from the increased parking rates for a full year in FY 2005-06. The MTA's FY 2005-06 budget includes an increase of \$2,836,000 in revenue from the increased rates at parking garages. MTA is using the increased revenue to offset the \$57 million projected revenue shortfall in their FY 2005-06 budget.

Parking and Traffic Parking Meter, Parking Fine, and Residential Parking Permit Fee Increases

The proposed MTA FY 2005-06 Budget includes (a) an increase in parking meter rates (File No. 05-0370) for all four of the on-street Meter Rate Areas, and all off-street parking meter areas, by \$1.00 per hour; (b) an increase of \$5 to \$50 for parking fines (File No. 05-0372) for 107 parking violations, and a decrease in three other parking fines of \$3 for each violation; and (c) an increase for Residential Parking Permit (RPP) fees (File Nos. 05-0329 & 05-0371). The proposed MTA FY 2005-06 Budget includes a total of \$17,574,628 in new revenues as a result of these subject parking meter, parking fine, and RPP fee increases, for a total of \$129,974,416 of revenues from these subject revenue sources.

The Budget Analyst's report on the proposed ordinances to increase parking meter rates, parking fines, and RPP fees notes that more recent revenue projections by the MTA show a total increase of \$16,693,042 of revenues in FY 2005-06 as a result of the proposed ordinances, for a total of \$129,092,830 from these subject revenue sources. The total difference in projections for these subject proposed ordinances, as shown below, is \$881,586 less projected in total parking meter, parking fine, and RPP fee revenues for the MTA in FY 2005-06 than the MTA has included in the proposed FY 2005-06 Budget. The table below shows a summary of the changes based on current projections compared to the budgeted revenues included in the MTA budget.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Legislative Items Budgeted vs. Updated Projected Revenue Increase				
File No.	Subject	MTA Proposed FY 2005-2006 Budget Projected Increase	Updated Projected Increase	Difference
05-0329	Residential Parking Permits	\$2,637,896	\$2,091,492	(\$546,404)
05-0371	Parking Meters	6,006,314	7,440,940	\$1,434,626
05-0370*	Parking Fines	7,605,844	5,836,036	(\$1,769,808)
Total		\$16,250,054	\$15,368,468	(\$881,586)

*As noted in the Budget Analyst's report on Item 05-0370, the proposed hourly parking meter rate increase would result in additional coin collection and counting costs of \$1,324,574 in FY 2005-2006. The values above are net projected revenue increases, after subtracting the additional costs from the gross projected revenues.

**As noted in the Budget Analyst's report on Item 05-0372, parking fine revenues owed by DPT to the Port are likely to increase in FY 2005-2006, although the amount by which such revenues owed will increase has not been determined by the Port and the MTA, and the payment of such additional revenues will have a further negative impact on the MTA's Budget.

The MTA has stated this revenue shortfall will be absorbed within the FY 2005-06 budget through expenditure reductions. As of the writing of this report, the MTA has not provided the Budget Analyst with specific details regarding the nature of how this shortfall will be absorbed.

Parking and Traffic Administrative Tow Fee Increase

The proposed MTA FY 2005-06 budget includes an increase in the administrative tow fee from \$50 to \$60, which is budgeted to achieve increased revenues of \$553,855. The overall increase in the Administrative Tow Fee is \$937,555. However, \$553,855, of the \$937,555 increase in revenue, is associated with the increased fee.

Current Fee	Proposed Fee	Increase	Percent Increase	Budgeted Revenue Increase
\$50	\$60	\$10.00	20.0%	\$553,855

Section 170.1 (Administrative Fee) of the Traffic Code permits a "fee to reimburse the City and County for costs incurred in the administration of the procedures for removing vehicles." Section 170.1 further states that the "Director of the Department of Parking and Traffic or his or her duly authorized representative is authorized to establish the fee to be so charged or collected, provided however that the fee shall not exceed an amount reasonably calculated to cover the actual costs incurred by the City and County in the exercise and administration" of the program. Thus, the MTA's proposed FY 2005-06 includes the increase of the Administrative Tow Fee from \$50 to \$60.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

2. Municipal Railway Service Adjustments and Line Restructuring

In order to achieve cost savings in the MTA's proposed FY 2005-06 Budget, the MTA has proposed a series of service adjustments (lengthening of headway times between bus runs and train runs by one to two minutes) and line restructuring for 35 bus lines and all five Metro rail lines. Further, Muni has proposed labor savings by reducing scheduled overtime for runs and eliminating stand-by runs and other non-driving assignments. The MTA estimates total savings from such proposals in FY 2005-06 as \$15,034,074, all from reduced labor costs (\$15,034,074 includes (a) a reduction in permanent platform salaries of \$6,103,101, (b) a reduction in scheduled overtime of \$6,130,973, and (c) a reduction in unscheduled overtime of \$2,800,000).

An April 14, 2005 Memorandum to the MTA Board of Directors states that the MTA plans to submit proposed service adjustments and line restructuring for approval in May of 2005. The April 14, 2005 Memorandum to the MTA Board of Directors further states that Muni is required by Proposition E to maintain a load factor (the number of passengers per transit vehicle in relation to vehicle capacity) of no more than 85 percent during peak periods and 65 percent during off-peak periods and that the proposed services adjustments will not violate that standard.

The Budget Analyst notes that the MTA's proposed FY 2005-06 Budget does not include fuel, maintenance, and other administrative savings that result from the proposed. Further, the MTA has not estimated a ridership reduction as a result of the reduced service, as the agency estimated for the proposed fare increase. Ms. Taylor Emerson of the MTA advises that the MTA did not estimate ridership reductions that would result from service adjustments and line restructuring because the MTA considers such changes to be relatively minor and not resulting in a noticeable decline in service. The Budget Analyst notes that the MTA has not finalized the proposed service reductions for the FY 2005-06 budget. Attachment I to this report is the Memo presented to the MTA Board of Directors on April 14, 2005 that shows potential service changes in the MTA FY 2005-06 budget.

3. Management Reclassification Plan

The FY 2005-2006 Budget for the Municipal Transportation Agency (MTA) includes reclassifications for 63.0 FTE positions into a new Management classification series. Of these reclassified positions, 44.0 were management positions in FY 2004-2005. The remaining 19.0 positions were not management positions but were reclassified upward into management classes. MTA initially participated in the Department of Human Resources' Management Classification and Compensation Plan (MCCP) of management positions, but opted not to participate in February of 2004 and conducted the management reclassification study internally. DHR began an initial review of the management positions in MTA, but did not complete the process.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Under Charter Section VIIIA.104, the MTA is authorized to "create new classifications and positions in those classifications exempt from the civil service system for managerial employees." Thus, to comply with the Charter, the MTA created new Agency-specific job classifications for exempt management positions, rather than use existing citywide job classes. The new MTA management job classifications were created in October of 2004.

The Budget Analyst notes that the new management reclassification system does not contain cost increases in the MTA FY 2005-2006 proposed budget when budgeted at the top step because adjustments are made for below top step salaries. However, the proposed reclassification of these 63 positions could result in increased salary costs of \$319,363 annually without these adjustments in future years.

The Management reclassifications are shown in the table below.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

FY 2004-05 Original Budget				FY 2005-06 Mayor's Proposed Budget				
Job Class	Job Title	FTE	Salary	Job Class	Job Title	FTE	Salary	Difference
1675	Supervising Fiscal Officer	4.0	\$422,900	9179	Manager V, MTA	4.0	\$462,916	\$40,016
7228	Automotive Transit Shop Supervisor I	1.0	90,985	9180	Manager VI, MTA	1.0	124,572	33,587
1071	Information Services Manager	3.0	400,728	9182	Manager VIII, MTA	3.0	429,360	28,632
9184	Deputy General Manager, DPT	3.0	460,431	9187	Deputy Director II, MTA	3.0	487,524	27,093
1454	Executive Secretary	1.0	68,999	9172	Manager II, MTA	1.0	92,935	23,936
1272	Senior Departmental Personnel Director	3.0	324,963	9179	Manager V, MTA	3.0	347,187	22,224
7283	Track Maintenance Supt, Muni Railway	1.0	80,497	9177	Manager III, MTA	1.0	99,993	19,496
9146	Manager, Elderly & Handicapped, Muni	1.0	81,606	9177	Manager III, MTA	1.0	99,993	18,387
9184	Deputy General Manager, DPT	2.0	296,288	9187	Deputy Director II, MTA	2.0	313,722	17,434
9143	Senior Operations Manager	10.0	1,230,570	9180	Manager VI, MTA	10.0	1,245,720	15,150
1248	Assistant Division Manager, Personnel	2.0	216,642	9179	Manager V, MTA	2.0	231,458	14,816
7329	Electronics Maintenance Tech Asst. Supv.	1.0	89,419	9174	Manager IV, MTA	1.0	103,852	14,433
9160	Transit Operations Specialist	1.0	86,835	9177	Manager III, MTA	1.0	99,993	13,158
1270	Departmental Personnel Officer	1.0	96,424	9174	Manager IV, MTA	1.0	107,591	11,167
9184	Deputy General Manager, DPT	1.0	153,477	9187	Deputy Director II, MTA	1.0	162,508	9,031
0931	Manager III	1.0	107,591	9179	Manager V, MTA	1.0	115,729	8,138
9160	Transit Operations Specialist	1.0	86,835	9172	Manager II, MTA	1.0	92,935	6,100
5212	Principal Engineer	1.0	132,849	9182	Manager VIII, MTA	1.0	138,147	5,298
1276	Departmental Personnel Director	1.0	119,407	9180	Manager VI, MTA	1.0	124,572	5,165
9143	Senior Operations Manager	1.0	123,057	9180	Manager VI, MTA	1.0	124,572	1,515
9189	Director of Planning, Muni Railway	1.0	114,351	9179	Manager V, MTA	1.0	115,729	1,378
8221	Chief of Protective Services, Transportation Comm.	1.0	106,293	9174	Manager IV, MTA	1.0	107,591	1,298
6141	Manager, Office of Health & Safety	1.0	107,239	9174	Manager IV, MTA	1.0	107,591	352
0942	Manager VII	1.0	138,147	9182	Manager VIII, MTA	1.0	138,147	0
0941	Manager VI	1.0	129,299	9181	Manager VII, MTA	1.0	129,299	0
0933	Manager V	1.0	124,572	9180	Manager VI, MTA	1.0	124,572	0
0932	Manager IV	4.0	450,853	9179	Manager V, MTA	4.0	450,853	0
0931	Manager III	3.0	322,773	9174	Manager IV, MTA	3.0	322,773	0
0922	Manager I	6.0	557,610	9172	Manager II, MTA	6.0	557,610	0
MA01	MTA Manager I	1.0	86,337	9175	Manager I, MTA	1.0	86,337	0
MA02	MTA Board Secretary	1.0	115,729	9190	Board Secretary, MTA	1.0	115,729	0
0922	Manager I	1.0	92,935	9175	Manager I, MTA	1.0	86,337	(6,598)
5504	Project Manager II	1.0	111,836	9177	Manager III, MTA	1.0	99,993	(11,843)
TOTAL		63.0	\$7,128,477			63.0	\$7,447,840	\$319,363

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

4. Employee Badges for MUNI Services

MUNI allows employees to show their employee badge in lieu of paying transit fares. Transit operators have the same privileges, but that privilege is incorporated into their MOU. However, for non-Platform employees the ability to use an employee ID and not pay is a perk and is costing the MTA revenue. This employee benefit, not available to employees of the Department of Parking and Traffic, is potentially costing MTA revenue because employees who would otherwise travel to work and for personal business are travelling for free.

The FY 2005-06 MTA budget includes 1,756 FTE non-Platform positions that potentially could use a MUNI ID badge in lieu of paying fares. Thus, under the current rate structure for a monthly FastPass of \$45, if every possible employee purchased a FastPass for the entire year an additional \$948,240 could be generated. With the proposed FastPass increase of \$50 and additional \$1,053,600 could be generated. The Budget Analyst notes that it is unlikely that every MUNI employee would purchase a monthly FastPass, however, some MUNI employees would purchase FastPasses or pay the Adult Cash fare which would generate additional revenue for the MTA. The estimated revenue generated from ending the practices of non-Platform employees riding MUNI free is between \$0 (no employees would ride MUNI) to \$1,053,600 (all employees would purchase FastPasses).

Ms. Deb Ward advises that employees of the Police, Fire and Sheriff's Department also can show their badge in order to ride the system to and from work or while performing the functions of their job.

5. Move to 1 South Van Ness

The FY 2005-06 MTA budget includes plans to consolidate MTA administrative functions into one location at One South Van Ness. The MTA would enter into a lease for building at One South Van Ness and plans to move into this facility in early FY 2005-06. The lease includes an option to purchase the building for \$71,500,000, or approximately \$145 per square foot of rentable area. The current plans are for the Real Estate Division to seek purchase of the building at One South Van Ness around June of 2006. Costs Included in the MTA's proposed FY 2005-06 budget associated with the potential move to One South Van Ness are shown in the table below.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

Rent Paid by MTA in Associate with One South Van Ness in FY 2005-06 Budget			
Program	FY 2004-05 Budget Amount	FY 2005-06 Budget Amount	Difference
MUNI Construction	\$2,124,265	\$2,124,265	0
Capital Planning & External Affairs	492,812	492,812	0
MUNI Wide Services	0	200,000	200,000
Human Resources	139,011	139,011	0
TOTAL	\$2,756,088	\$2,956,088	\$200,000

* This includes the MUNI Operating Fund and the MUNI Railway Personnel Fund.

The FY 2005-06 MTA budget includes \$200,000 of costs associated with the move to One South Van Ness. As shown above, there is no decrease in the amounts for building leases and rentals in the FY 2005-06 MTA budget associated with the consolidation of MTA offices to One South Van Ness. The Budget Analyst's Office received a memo from the Real Estate Division stating that the new lease will result in savings for the MTA. However, the Budget Analyst notes that the MTA FY 2005-06 budget includes a reduction of only \$94,912 for Rents & Leases-Buildings & Structures. Ms. Taylor Emerson advises that MTA will realize savings in future years related to the move to One South Van Ness. The proposed resolution authorizing the lease (File No. 05-0763) is currently pending before the Finance Committee and will receive detailed analysis by the Budget Analyst's Office.

6. Transit Operators Salaries

Under Charter Section 8A.404, the MTA will determine the wages for Transit Operators by taking the average of the two highest wage schedules for Transit Operators in comparable jurisdictions. According to MTA, the two comparable jurisdictions with the highest wage schedules are the Massachusetts Bay Transportation Authority (MBTA) and the Santa Clara County Valley Transportation Authority (VTA). Thus, any changes in the MOU for Transit Operators at these organizations will impact the salary schedule of Transit Operators for the MTA. Staff report that the MOUs for these organizations do not end in the FY 2005-06. The MOU for the MBTA expires on June 30, 2006 and the MOU for the VTA expires on June 30, 2007. The Platform Salaries included in the FY 2005-06 budget includes anticipated cost of living allowance of 3.65%. The FY 2005-06 MTA budget does not include a set-aside of funds in anticipation of increased Transit Operators salaries.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: Municipal Transportation Agency (continued)

7. Proposed Contract with AutoReturn

As part of the FY 2005-06 budget, MTA seeks to enter into a contract with AutoReturn for (a) the dispatching of tow trucks, (b) the storage of towed vehicles, (c) the staffing of a customer service center, and (d) the disposal of unclaimed vehicles pursuant to the California Vehicle Code through auctions or dismantling centers. The Controller's Office has determined that the proposed contract with AutoReturn satisfies the requirements of Charter Section 10.104.15, which requires that "services can be practically performed under private contract at a lesser cost than similar work performed by employees of the City and County of San Francisco."

The Controller has determined that contracting with AutoReturn for the purposes stated above for the MTA for FY 2005-06 would result in estimated savings as shown in the following chart:

City-Operated Service Costs	Highest Salary Step
Salaries	\$9,117,997
Fringe Benefits	4,133,058
Operating Costs	3,144,563
Capital Costs	<u>1,295,000</u>
Total	\$17,690,619
Contractual Services Cost	<u>14,067,386</u>
Estimated Savings	\$3,623,232

Source: Controller's Office

According to Ms. Diana Hammons of DPT, the proposed contract with AutoReturn is revenue generating and includes an increase in the contractor's per tow fee paid to the MTA of \$4.97 from \$15.03 to \$20.00 per vehicle towed, which the MTA estimates will result in additional revenues in FY 2005-06 of \$187,711.

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

Page No.	Object	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	

BEB--Capital Planning and External Affairs - 5MAAAAAA

113	001	Permanent Salaries-Misc			\$344,678	\$275,341	*
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* The recommended reduction in Permanent Salaries -
Misc. is the total of the following specific recommendations
regarding individual classifications.

165	001	Public Information Officer	1312A	0.50	0.00	30,535	0	30,535
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Delete 0.50 FTE Public Information Officer. This position
is a long-term vacancy that has been vacant for more than
one year.

165	001	Photographer	1770A	0.75	0.00	38,802	0	38,802
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Delete 0.75 FTE Photographer. This position is a long-term
vacancy that has been vacant for more than one year.

113	013	Mandatory Fringe Benefits			99,686	79,162	20,524
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Corresponds to the reduction in Permanent Salaries.

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

partment: MTA - Metropolitan Transportation Agency

<u>Object</u>	<u>Position/ Equipment</u>	<u>Number</u>	<u>Amount</u>		<u>From</u>	<u>To</u>	<u>Savings</u>
		<u>Number</u>	<u>From</u>	<u>To</u>			
029	Maintenance Svcs-Equipment				10,000	4,200	5,800
Reduce to reflect projected FY 2004-05 under expenditure for this object. Capital Planning and External Affairs expended a total of \$4,193 for maintenance services on equipment in FY 2003-04. Overall, the Department has budgeted over \$3 million for Maintenance Services Equipment.							
031	Rents & Leases-Equipment				3,000	0	3,000
Reduce to \$0. The MTA budgeted \$3,000 in FY 2003-04 and FY 2004-05. In both years, the expenditure level was \$0.							
035	Other Current Expenses				396,949	100,000	296,949
Reduce to \$100,000. This reduction reflects the FY 2004-05 expenditure level. In FY 2004-05 the projected expenditure level is \$90,824. In FY 2003-04 for Other Current Expenses, Capital Planning and External Affairs expended \$14,992. Overall, the Department has budgeted \$ 27 million for Other Current Expenses.							

--Human Resources - 5MAAAAAA

001	Permanent Salaries-Misc	3,629,629	3,560,126	*
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* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
168	001	Affirmative Action Specialist	1233A	3.00	2.00	208,508	139,005 69,503
		Delete 1.00 FTE 1233 Affirmative Action Specialist. This position is a long-term vacancy that has been vacant for more than one year. With this reduction, the Human Resources Program will still have 2.00 FTE 1233 Affirmative Action Specialists positions, one of which has been vacant for more than one year.					
118	013	Mandatory Fringe Benefits			1,038,197	1,017,624	20,573
		Corresponds to the reduction in Permanent Salaries.					
118	021	Travel			4,000	1,000	3,000
		Reduce to reflect projected FY 2004-05 expenditure level of \$726. The Human Resources Division expended a total of \$2,049 for travel in FY 2003-04. Overall, the Department has budgeted \$74,848 for Travel in FY 2005-06.					
118	022	Training			76,697	10,000	66,697
		Reduce to reflect projected FY 2004-05 expenditure level of \$8,734. The Human Resources Division expended a total of \$8,125 for training in FY 2003-04.					

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS**
2005-2006

Department: MTA - Metropolitan Transportation Agency

<u>Object</u>	<u>Position/ Equipment</u>	<u>Number</u>	<u>Amount</u>		<u>To</u>	<u>Savings</u>
		<u>Number</u>	<u>From</u>	<u>To</u>		
027	Professional & Specialized Services				446,500	365,100
Reduce to reflect projected FY 2004-05 under expenditure for this object. The Human Resources Division expended a total of \$342,539 for Professional & Specialized Services in FY 2003-04.						
035	Other Current Expenses				170,660	50,000
Reduce to reflect projected FY 2004-05 expenditure level of \$48,366. The Human Resources Division expended a total of \$33,326 in FY 2003-04 for Other Current Expenses.						

--Finance & Administration Division - 5MAAAAAA

022	Training			102,597	67,000	35,597
Reduce to reflect projected FY 2004-05 expenditure level of \$44,609. The Finance and Administration Division expended a total of \$53,186 for training in FY 2003-04.						

Municipal Railway Executive Office - 5MAAAAAA

001	Permanent Salaries-Misc			9,376,296	8,952,125	*
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* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

Page <u>No.</u>	<u>Object</u>	Position/ Equipment <u>Number</u>	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
177	001	Division Safety Officer	MA04AN	4.50	0.00	424,171	0	424,171
Deny 4.50 FTE new MA04 Division Safety Officer positions. The Department indicated these positions were for investigation into accidents. The Budget Analyst concludes that MUNI has not justified these positions. MUNI has not justified the need based on increased accident costs or potential savings.								
179	001	Transit Fare Inspector	9132A	21.00	20.00	1,143,612	1,089,154	54,458
Delete 1.00 FTE Transit Fare Inspector. This position is a long-term vacancy that has been vacant for more than one year. With this reduction of 1.00 FTE, the Executive Office, Security, Safety Division will still have 20.00 FTE 9132 Transit Fare Inspector positions.								
131	013	Mandatory Fringe Benefits				2,959,897	2,818,223	141,674
Corresponds to the reduction in Permanent Salaries.								
131	022	Training				476,967	292,588	184,379
Reduce to reflect projected need. The Executive Office expended \$275,262 on training in FY 2003-04. In FY 2004-05 the projected expenditure level for training is \$49,831.								

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

<u>Object</u>	<u>Position/ Equipment</u>	<u>Number</u>			<u>Amount</u>	<u>To</u>	<u>Savings</u>
		<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>		
023	Employee Field Expense				3,169	200	2,969
		Reduce to reflect projected FY 2004-05 expenditure level of \$177. The Executive Office expended a total of \$114 for employee field expenses in FY 2003-04.					
027	Professional & Specialized Services				284,000	208,000	76,000
		Reduce to reflect projected FY 2004-05 expenditure level of \$201,161. The MTA has not justified this level of funding. The Executive Office expended a total of \$186,627 for Professional & Specialized Services in FY 2003-04. Overall, the Department has budgeted \$19,333,491 for Professional and Specialized Services in the MTA budget.					
029	Maintenance Svcs-Equipment				7,117	2,800	4,317
		Reduce to reflect projected FY 2004-05 expenditure level of \$2,648. The Executive Office expended a total of \$2,289 for Maintenance Services-Equipment in FY 2003-04. Overall, the Department has budgeted \$3,031,313 for Maintenance Services-Equipment.					
031	Rents & Leases-Equipment				10,625	0	10.625
		Reduce to reflect FY 2004-05 expenditure level of \$273 for vehicle rental. The Executive Office budgeted \$10,625 in FY 2004-05 and expended no funds. Overall, the MTA has budgeted \$1,629,800 on rents and leases for equipment in FY 2005-06.					

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS**
2005-2006

Department: MTA - Metropolitan Transportation Agency

Page <u>No.</u>	<u>Object</u>	Position/ Equipment <u>Number</u>	<u>Number</u>		<u>Amount</u>		<u>From</u>	<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>			

BEN--MUNI Transportation - 5MAAAAAA

134	001	Permanent Salaries-Misc					5,665,503	5,595,033	*
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* The recommended reduction in Permanent Salaries -
Misc. is the total of the following specific recommendations
regarding individual classifications.

181	001	Transit Supervisor	9139	62.00	60.00	4,369,140	4,298,670	70,470
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Delete 2.00 FTE Transit Supervisor positions. Although
the MUNI Transportation Program deleted 4.00 FTE 9139
Transit Supervisor positions in the FY 2005-06 budget, this
program had a total of 9.00 FTE 9139 Transit Supervisor
positions vacant, 8 of which were long-term vacancies that
have been vacant for more than one year.

134	013	Mandatory Fringe Benefits					48,391,048	48,370,189	20,859
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Corresponds to the reduction in Permanent Salaries.

BEQ--Maintenance - 5MAAAAAA

136	001	Permanent Salaries-Misc					70,109,713	69,814,074	*
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* The recommended reduction in Permanent Salaries -
Misc. is the total of the following specific recommendations
regarding individual classifications.

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

<u>Object</u>		<u>Position/ Equipment</u>	<u>Number</u>	<u>Amount</u>		<u>From</u>	<u>To</u>	<u>Savings</u>
			<u>Number</u>	<u>From</u>	<u>To</u>			
001	Senior Clerk Typist	1426A	9.00	8.00	436,032		387,584	48,448
Delete 1.00 FTE 1426 Senior Clerk Typist position. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 7.00 Senior Clerk Typist positions, three of which are long-term vacancies.								
001	Parts Storekeeper	1929A	30.00	28.00	1,567,190		1,462,710	104,480
Delete 2.00 FTE 1929 Parts Storekeeper positions. These positions are a long-term vacancies that have been vacant for longer than one year. With this reduction, the Maintenance Division will still have 28.00 Parts Storekeeper positions, one of which is a long-term vacancies that has been vacant for more than one year.								
001	Gardener	3417A	3.00	2.00	155,585		103,723	51,862
Delete 1.00 FTE 3417 Gardener positions. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 2.00 Gardener positions, both of which are currently vacant.								

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

Page <u>No.</u>	<u>Object</u>	Position/ Equipment <u>Number</u>	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
186	001	Electronics Maintenance Tech Asst Supvr.	7329A	16.00	15.00	1,453,589	1,362,740	90,849
Delete 1.00 FTE 7329 Electronics Maintenance Tech Asst Supvr position. This position is a long-term vacancy that has been vacant for longer than one year. With this reduction, the Maintenance Division will still have 16.00 7329 Electronics Maintenance Tech Asst Supvr position, one of which has been vacant for more than a year.								
136	013	Mandatory Fringe Benefits			22,194,398	22,106,889		87,509
Corresponds to the reduction in Permanent Salaries.								
140	001	Permanent Salaries-Misc			16,670,873	16,529,933		*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.								
192	001	Transit Supervisor	9139A	123.00	121.00	8,667,810	8,526,870	140,940
Delete 2.00 FTE Transit Supervisor positions. Although the MUNI Service Operations & Schedules Program deleted 9.00 FTE 9139 Transit Supervisor positions in the FY 2005-06 budget, this program had a total of 21.00 FTE 9139 Transit Supervisor positions vacant, all of which are long-term vacancies that have been vacant for more than one year. With these reductions and MTA's reduction of 9.00 FTE, the MUNI Service Operations & Schedules Program will have a total of 112.00 FTE 9130 Transit Supervisor positions.								

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

partment: MTA - Metropolitan Transportation Agency

<u>Object</u>	<u>Position/ Equipment</u>	<u>Number</u>			<u>Amount</u>			<u>Savings</u>
		<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
013	Mandatory Fringe Benefits				5,988,637		5,946,919	41,718
Corresponds to the reduction in Permanent Salaries.								
Subtotal - MUNI Recommended Reductions								\$2,348,768

ARTMENT OF PARKING AND TRAFFIC

--Parking Authority - 5NOPFAAA

040	Materials & Supplies Budget Only		763,142	308,307	454,835
Reduce to reflect projected FY 2004-05 under expenditure for this object. The Traffic Engineering & Operations Division expended a total of \$290,050 for materials and supplies FY 2003-04. The Department indicated that the under expenditure is because the Department plans to purchase equipment related to parking meter Smart Cards, which could possibly be delayed resulting from reduced revenues.					

--Enforcement - 5NAAAAAA

028	Maintenance Svcs-Building & Structures		30,600	19,575	11,025
Reduce to reflect projected FY 2004-05 expenditure level of \$19,060. The Enforcement Division expended a total of \$29,514 for maintenance services in FY 2003-04.					

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

Page <u>No.</u>	<u>Object</u>	Position/ Equipment <u>Number</u>	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
159	029	Maintenance Svcs-Equipment			10,500		5,657	4,843
Reduce to reflect projected FY 2004-05 under expenditure for this object. The Enforcement Division expended a total of \$5,322 for maintenance services in FY 2003-04.								
159	040	Materials & Supplies Budget Only			250,000		210,000	40,000
Reduce to reflect projected FY 2004-05 under expenditure for this object. The Enforcement Division expended a total of \$208,520 for materials and supplies in FY 2003-04.								

BKR--Residential Permit Parking - 5NAAAAAA

161	040	Materials & Supplies Budget Only			7,500		3,000	4,500
Reduce to reflect projected FY 2004-05 expenditure level of \$2,899, adjusted for a cost of living factor.								

BKS--Parking Citations - 5NAAAAAA

162	028	Maintenance Svcs-Building & Structures			50,500		36,606	13,894
Reduce to reflect projected FY 2004-05 expenditure level of \$35,604. The Parking Citation Division expended a total of \$42,942 for maintenance services in FY 2003-04.								

**RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: MTA - Metropolitan Transportation Agency

<u>Object</u>	Position/ Equipment	<u>Number</u>			<u>Amount</u>		<u>Savings</u>
		<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
035 Other Current Expenses					20,000	8,902	11,098
Reduce to reflect projected FY 2004-05 expenditure level of \$8,668.							
Subtotal - Parking and Traffic Recommended Reductions							\$540,195
Total Recommended Reductions							\$2,888,963



MEMORANDUM

To: MTA Board of Directors
Cleopatra Vaughns, Chairman
Mike Kasolas, Vice Chairman
Shirley Breyer Black, Director
Wil Din, Director
James McCray, Jr., Director
Peter Mezey, Director

From: Michael T. Burns
Executive Director of Transportation

Subject: Potential service adjustments in accordance with FY06 budget

Date April 14, 2005

As you know, the adopted FY06 budget is predicated on adjustments to Municipal Railway service that will achieve a net savings for the year of \$13 million. This memorandum summarizes the changes to service proposed at this time. While some items require further refinement, we intend to present this information at a number of community meetings and then bring back to the MTA Board for formal hearing and appropriate action in late May.

Timing

The magnitude of change required to conform to our budget will require a General Sign-up of operators, or GSU, in which operators have the right to switch between divisions and vehicle types. The first attachment to this memorandum is a schedule for conducting a GSU, which shows that the earliest practical effective date for a GSU is the pay period beginning August 27, 2005. (This would coincide with the date we would implement the fare changes also contained in our budget.) Accordingly, the savings embedded in these changes can only be achieved for the 10 months from September 2005 through June 2006.

Proposed service adjustments

The second attachment to this memorandum summarizes the changes to Muni service and other actions that are proposed to address the FY2006 budget. The cost estimates at the right, in the columns headed "Months: 10 Sep GSU" are those that are applicable to our current schedule.

The proposed actions are summarized in a number of groupings as follows:

S1: Base adjustments discussed in Spring/Summer 2004 and previously planned for 2004 implementation.

After extensive public outreach and discussion before the MTA Board, a number of schedule adjustment were planned for 2004 implementation, but were not implemented. These are briefly described on the attachment, and involve changes on lines 1, 4, 5, 7, 9, 9X, 14, 15, 16AX and 16BX, 21, 38, 41 and the five Metro rail lines. These changes are now planned for implementation as part of our August GSU. Because they are schedule adjustments of limited scope, these have not been the subject of any formal MTA Board action, nor is such action appropriate.

S2: Savings from unfilled runs.

Currently many operator requisitions have remained unfilled, and we have severely reduced the use of overtime to fill open runs. For fiscal year 05-06, these "savings" accrue from July 1, 2005, until the GSU becomes effective and the scheduled number of operator "runs" is reduced.

S3: Widen headways to policy WSaSu (weekdays, Saturdays and Sundays).

In addition to the items planned for FY05 implementation (S1), staff has identified numerous other instances in which service is operated more frequently than is called for by the policy standards adopted as part of Muni's Short Range Transit Plan. In these instances Muni ridership data have been reviewed to identify cases in which service could be reduced without either (a) violating those policy standards, or (b) resulting in vehicle overcrowding.

Current policy standards are summarized in the table below:

Policy Headways (Minutes): FY2004-2023SRTP				
Weekday	Peak	Base	Evening	Owl
Radial	10	15	20	30
Express	10	--	--	--
Crosstown	15	15	20	30
Feeder	20	30	30	--
Weekend		Base	Evening	Owl
Radial		15	20	30
Crosstown		20	20	30
Feeder		30	30	--

Attachment 8 includes a line-by-line review of Muni ridership during morning peak, midday, afternoon peak and evening time periods. It also includes a more detailed explanation of the analyses that were conducted, and how they led to the staff recommendations presented here.

Changes are being proposed for 18 lines, and are summarized in Attachment 2. The lines which would be affected on weekdays are lines 5, 14X, 17, 19, 22, 24, 27, 31, 35, 36, 39, 43, 47, 49, 52, 54, 66 and 67. These changes, similar to those under S1, are schedule adjustments, which can be implemented at my direction. Similar changes would be made to various lines on weekends, but have not yet been specifically identified.

S4: Line restructuring proposals considered in Summer 2004.

These are changes in the structure of the Muni service network—route changes and in one case a significant change in service frequency—that would be submitted to the MTA Board for approval. The items listed here were considered in Spring and Summer 2004, but were never brought to the MTA Board for action and never scheduled for implementation.

- Sutter Street lines (2 Clement, 3 Jackson and 4 Sutter): The 4 Sutter line currently operates Monday through Friday only, and only during daytime hours, until about 6pm. It is proposed to reduce service to morning and afternoon peak periods only. Line 2 Clement would be rerouted between Arguello Boulevard and Presidio Avenue to operate via California Street, replacing the midday service connecting this area to Sutter and Post streets that is currently provided by the 4 Sutter. Ridership over the segment of Euclid Avenue from which service would be removed is extremely light, and alternative service remains available within Muni service coverage standards (1/4-mile) on Geary Boulevard and California Street. (See Attachment 3 for a map.)

No changes to service on line 3 Jackson are proposed at this time.

- Haight Street lines (6 Parnassus, 7 Haight, 66 Quintara, 71/71L Haight Noriega): The 7 Haight line currently operates during daytime hours (until about 6pm) seven days a week. It is proposed to also reduce service to peak periods only. It is simultaneously proposed to utilize articulated coaches on the 71 Haight-Noriega line on weekends, which would retain the present service capacity along Haight street (by operating the higher capacity coaches on the 71 in place of service on line 7), while actually increasing capacity west of Stanyan Street.

Schedules on lines 6 and 71 midday will be adjusted so each line operates on the same frequency, balancing service requirements on lower Haight Street. Service hours on the 6 and 71/71L lines will not change.

Line 66 would no longer provide direct service to downtown during peak periods, but would remain as a community service between 9th Avenue and Judah, and 30th Avenue and Vicente, at all hours of service. (See Attachment 4 for a map.)

- 16AX and 16BX Noriega Express service to Caltrain: It had already been planned to reduce service between Market Street and the Caltrain station; this proposal would remove all remaining trips, which are extremely lightly used. (Coach congestion near Caltrain bus terminals would be reduced as well.)
- 82X Presidio Express: Lightly used afternoon service between the Presidio and downtown transit connections to Muni Metro, BART and Caltrain would be reduced from five to two trips.

S5: Additional line restructuring proposals.

These are additional changes to the structure of Muni's route network that generally were not considered for implementation in 2004. These will also be presented to the MTA Board for adoption in May.

- 10 Townsend: Off-peak ridership on the 10-line is extremely light, in part because of the popularity of nearby F Market & Wharves streetcar service. It is proposed to reduce 10 Townsend service, which presently operates seven days a week from early morning to almost 1am, to weekday daytimes only (i.e., Monday-Friday until about 7 pm).
- 21 Hayes: Three lines—the 21 Hayes, 5 Fulton and 33 Stanyan—presently provide service on Fulton Street between Stanyan and Arguello, with the 5 and 21 lines continuing to serve between Arguello and Sixth Avenue. It is proposed to curtail 21 Hayes service at Stanyan Street instead of Sixth Avenue, at certain hours, subject to further assessment of the times at which this action could result in actual savings. This could be applied at all hours of service, or only at night, or something in between.
- 26 Valencia; and 54 Felton: The 26-line largely serves the same streets, or nearby streets, as other Muni lines, excepting between 30th Street and Glen Park. These overlapping or closely parallel lines include the J Church, M Ocean View and 54 Felton. Three proposals were developed for revising the 26-line to reduce this duplication, some also affecting line 54. The proposal recommended at this time would curtail line 26 at Glen Park. Service north of Glen Park would not be affected, excepting that frequencies would be reduced from every 15 minutes during peak periods (and 20 midday) to 20 minutes all day, and 30 minutes in the evening, rather than 20. (Frequencies would correspond to policy standards for community service, or feeder, lines.)

At the very southern end of lines 26 and 54, the 26 would be discontinued but consideration will be given to routing line 54 Felton to 19th and Holloway (over the present 26-line route), instead of to the Daly City BART Station. It is not proposed to maintain service to both these terminals.

- 52 Excelsior and 54 Felton: It is proposed to revise service in the Excelsior District, so that line 52 would only operate between Forest Hill Station and the vicinity of Burbank Middle School near LaGrande and Persia Avenues. The 54-Felton line would be rerouted over the streets currently used by the 52 Excelsior between Persia Avenue and Mission and Geneva, continuing along Geneva to rejoin its existing route at the Balboa Park BART Station. No streets would lose service, but the 54-line would no longer serve Persia and Ocean Avenues. (These streets are also served by the 29 and 49 lines.) These changes would reduce costs, but would also satisfy a community request to provide direct service between Excelsior District streets now served by the 52-line, and the Balboa Park BART Station. (See enclosed map; Attachment 5.)

- Metro services (J, K, L, M and N): Reduce early morning service, and/or reduce service between about 4 and 5pm. Metro lines currently begin service earlier than most other Muni lines; and also provide more service than appears necessary in the early afternoon peak period. Afternoon service needs appear to now occur later than was traditionally the case.
- Owl Service: Muni currently provides Owl service (service between 1am and 5am, providing 24-hour coverage) on nine lines, each operating at 30-minute frequencies. Revisions to Owl service are under consideration but have not been finalized. Two options under review are:
 - (a) Operate 5 Fulton Owl service on Friday and Saturday nights only:
 - (b) Reduce service on some lines from half-hourly to hourly.

S6: Minor route restructurings without fiscal benefits.

Muni staff have developed a number of relatively minor proposals, some responding to operational concerns, some responding to specific community requests. While these will not result in any cost savings, they are included here so that they may be implemented in the same GSU as these other proposals.

- 27 Bryant: As part of the community discussions concerning the Geary/O'Farrell Phase 1 Bus Rapid Transit project, community representatives asked that a slight change be made to the southbound 27-line route to better serve the Tenderloin community. This would route the 27-line from Taylor, O'Farrell, Mason, Eddy, Cyril Magnin two blocks south to Taylor, Eddy, Cyril Magnin. The proposal is more fully described on the enclosed outreach poster (Attachment 6), which also includes a map of the affected portion of the line.
- 37 Corbett: Responding to community requests, this is a proposal which would make a small, hilly portion of the 37-line "on request only." Two stops would be affected. Similar arrangements have worked successfully in four other areas of the city. This proposal is described more fully in the enclosed outreach letter (Attachment 7), which also includes a map of the affected line segment.
- 67 Bernal Heights: Two operational changes to the 67-line, to reduce turns and provide more direct routings, were discussed last spring and summer but not implemented. Both affect only the "clockwise" loop, the buses running from the Crescent Street area to the 24th Street BART Station. The first would route buses via Mission and Valencia Streets to 24th Street, rather than via Mission, 25th Street, Valencia and 24th Street, providing a quicker, more direct route which bypasses some of Mission Street's congestion. The second change would route buses via Crescent Street in both directions, rather than having the "clockwise" bus detour via Richland Avenue. BART-bound riders could then board either the 23 Monterey or the 67 Bernal Heights at the same stops.

S7: (This is a strategy included in the attached summary table but not currently available for implementation.)

S8: Revisions to proposed Third Street light rail service.

In conjunction with the start-up in FY06 of Third Street light rail service, the approved budget funds all-day, every-day service on line J-Church to the Caltrain/4th & King Station, in addition to service into the Third Street corridor itself. Based on current ridership trends this service appears excessive, and it is proposed to scale back such service to weekday peak periods only.

S9: Reduce evening service below existing policies on selected lines.

Because of extremely light ridership and the fiscal emergency the agency faces, we are proposing to intentionally reduce service below policy standards on a small number of lines, as follows:

- Reduce evening service from every 20 minutes to every 30 minutes on lines 12 and 23.
- As noted above under S5, consideration is also being given to reducing frequencies on certain “Owl” services from half-hourly to hourly.

S10: Adjust extra board to reflect other service adjustments to be implemented.

The “extra board” is the roster of operators who are scheduled to be available to fill in for operators who are on vacation, on sick leave, or who otherwise are not available to cover their scheduled assignments. Industry practice has shown the ideal level of extra board operators to correspond to 27.5% of the number of scheduled work assignments (“runs”). A 27.5% extra board is built into the FY06 budget. This item reduces the number of extra board positions to correspond to the net force reductions which result from implementation of items S1, S3, S4, S5, S9 and L1 below.

Proposed labor efficiencies

In addition to the measures described above which have a direct effect on service available to the public, we continue to pursue a number of measures to reduce costs by eliminating unnecessary practices, and by improving the efficiency of how operator work is structured. We propose to incorporate a number of such measures into achieving budgetary targets as follows:

L1: Better manage the amounts of overtime built into runs.

In order to efficiently provide service over a 19 or 20-hour span of service, it is necessary to build a certain amount of scheduled overtime into operator work assignments. Management believes that this amount can and should be reduced in order to better control costs.

L2: Reduce the number of non-driving operator work assignments.

There are a significant number of operator assignments which entail varying amounts of “stand-by time”—time when operators are scheduled only to “stand-by” to be available for as-needed assignments. Other operators are used to park buses rather than directly provide

service to the public, start buses in the morning, assist with cable car boarding, collect bus fares at the Caltrain Station. etc. Furthermore, some of this work is even scheduled at overtime rates. Management proposes to eliminate many of these assignments, restructure others, reduce use of overtime for such work, utilize non-operating personnel and achieve similar savings in this area.

Environmental Review

With the declaration of a fiscal emergency by the Municipal Transportation Agency Board of Directors, none of the actions described herein are subject to environmental review.

Public Outreach

As was stated above, staff will conduct public outreach meetings, and also be available to speak before community groups, throughout the month before these items return to the MTA Board. The details of this public outreach process have not yet been developed. A public hearing will then be held in May as required by Charter section 16.112(b), followed by proposed action by the Board as appropriate.

Enclosures

1. Process Schedule for 2005 General Sign-up
2. Summary of FY2006 Service Reduction Scenarios
3. Current and proposed service: lines 2 and 4. (No change to 3 Jackson)
4. Current and proposed service: lines 7 and 66. (No change to 6 and 71/71L.)
5. Current and proposed service on lines 52 and 54 to the Excelsior District.
6. Outreach poster for proposed changes to 27 Bryant line.
7. Outreach letter for proposed changes to 37 Corbett line.
8. Impacts of bringing headways to policy or revising policies.

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETING

✉ BUDGET AND FINANCE COMMITTEE &
BUDGE AND FINANCE SUBCOMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

08 NOTICE IS HEREBY GIVEN that the meeting of the Budget and Finance Committee

9/05 scheduled for May 19, 2005 at 1:00 p.m. and the Budget and Finance Subcommittee

08/05/05 scheduled for May 19, 2005 at 10:00 a.m., at 1 Dr. Carlton B. Goodlett Place,

Legislative Chambers, City Hall, San Francisco, California, have been **cancelled**.

Gloria L. Young, Clerk of the Board

DOCUMENTS DEPT.

MAY 13 2005

POSTED: May 13, 2005

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City and County of San Francisco

Meeting Agenda

↳ Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

Clerk: Gail Johnson

Monday, May 23, 2005

12:30 PM

City Hall, Legislative Chamber, Room 250

Special Meeting

MEETING CONVENED

If a quorum of the Board of Supervisors members is present, Supervisor Ammiano will hold a Special Board of Supervisors meeting in order to hear the Fiscal Year 2005-06 budgets of the San Francisco City and County Departments.

Note: Each item on the Consent or Regular agenda may include the following documents:

- 1) Legislation
- 2) Budget Analyst report
- 3) Legislative Analyst report
- 4) Department or Agency cover letter and/or report
- 5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

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Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

DOCUMENTS DEPT.

MAY 20 2005

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REGULAR AGENDA

1. 050307 [Budget Updates]
Supervisor Ammiano
Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Office of Legislative Analyst and City Departments.
- 2/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
3/17/05, CONTINUED. Heard in Committee. Speakers: Noelle Simmons, Mayor's Budget Office; Ken Bruce, Budget Analyst's Office.
Continued to March 24, 2005.
3/24/05, CONTINUED. Heard in Committee. Speaker: Monique Zmuda, Deputy Controller.
Continued to March 31, 2005.
3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None.
4/7/05, CONTINUED. Heard in Committee. Speakers: Andrew Murray, Office of the Legislative Analyst; Ernestine Weiss.
Continued to April 14, 2005.
4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.
Continued to April 21, 2005.
4/21/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Noelle Simmons, Mayor's Budget Office.
4/28/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.
5/5/05, CONTINUED. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.
Continued to May 12, 2005.
5/12/05, CONTINUED. Speakers: None.
Continued to May 23, 2005.
2. 050794 [Budget Hearing and Review, FY 2005-06]
Hearing to consider the Annual Budget for the Port, Retirement System, and Rent Arbitration Board for fiscal year 2005-2006. (Clerk of the Board)
- 5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
3. 050771 [Annual Appropriation Ordinance for Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]
Mayor
Ordinance appropriating all estimated receipts and all estimated expenditures for selected Departments of the City and County of San Francisco as of May 1, 2005 for the fiscal year ending June 30, 2006.
(Fiscal impact; Appropriation for the following selected departments: Airport, Municipal Transportation Agency, Port, Public Utilities Commission, Retirement System, Rent Arbitration Board.)
- 5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
5/12/05, CONTINUED. Heard in Committee. Speakers: Cheryl Adams, Deputy City Attorney; Debra Newman, Budget Analyst's Office; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Michael Burns, Executive Director of Transportation, Municipal Transportation Agency; Norman Rolfe; Barbara Groth, Of the People, By the People, For the People; Howard Strassner, Sierra Club; Sarah Norr, Coalition for Transit Justice; Mike Longigan, Local 200; Fran Taylor, Walk San Francisco; Susan King, Coalition for Transit Justice; Sue Vaughan, San Francisco Green Party; Monique Zmuda, Deputy Controller.
Continued to May 23, 2005.

4. 050780 [Proposed Annual Salary Ordinance for the Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]

Mayor

Proposed Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for selected Departments of the City and County of San Francisco as of May 1, 2005, for the Fiscal Year ending June 30, 2006, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor.

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

5/12/05, CONTINUED. Heard in Committee. Speakers: Cheryl Adams, Deputy City Attorney; Debra Newman, Budget Analyst's Office; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Michael Burns, Executive Director of Transportation, Municipal Transportation Agency; Norman Rolfe; Barbara Groth, Of the People, By the People, For the People; Howard Strassner, Sierra Club; Sarah Norr, Coalition for Transit Justice; Mike Lonergan, Local 200; Fran Taylor, Walk San Francisco; Susan King, Coalition for Transit Justice; Sue Vaughan, San Francisco Green Party; Monique Zmuda, Deputy Controller.

Continued to May 23, 2005.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget and Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

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050740 [Fees for Findings of Fact in Assessment Appeals]**Supervisor Peskin**

Ordinance (1) amending Section 2B.11 of the San Francisco Administrative Code to (a) replace the existing fee schedule for preparation of written findings of fact in assessment appeals with a fee that recovers the costs attributable to the preparation and issuance of findings by the Assessment Appeals Board, (2) making findings relative to the City's costs of preparing written findings of fact in assessment appeals, and (3) making findings pursuant to the California Environmental Quality Act, Public Resources Code Section 21080(b)(8)(A), that the fees for written findings are not a "project" and that such fees are imposed for the purpose of meeting operating expenses, including employee wage rates, fringe benefits and other direct and indirect overhead charges attributable to the preparation and issuance of such findings.

4/26/05, ASSIGNED UNDER 30 DAY RULE to Budget and Finance Committee, expires on 5/26/2005.

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City and County of San Francisco

Meeting Agenda

Budget and Finance Committee

Members: Tom Ammiano, Chris Daly, Sean Elsbernd, Fiona Ma, Jake McGoldrick

Clerk: Gail Johnson

Thursday, May 26, 2005

1:00 PM

City Hall, Legislative Chamber, Room 250

Regular Meeting

MEETING CONVENED

If a quorum of the Board of Supervisors members is present, Supervisor Ammiano will hold a Special Board of Supervisors meeting in order to hear the Fiscal Year 2005-06 budgets of the San Francisco City and County Departments.

Note: Each item on the Consent or Regular agenda may include the following documents:

- 1) Legislation
- 2) Budget Analyst report
- 3) Legislative Analyst report
- 4) Department or Agency cover letter and/or report
- 5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

DOCUMENTS DEPT.

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REGULAR AGENDA

1. 050307 [Budget Updates]
Supervisor Ammiano
Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Office of Legislative Analyst and City Departments.

2/22/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
3/17/05, CONTINUED. Heard in Committee. Speakers: Noelle Simmons, Mayor's Budget Office; Ken Bruce, Budget Analyst's Office.
Continued to March 24, 2005.
3/24/05, CONTINUED. Heard in Committee. Speaker: Monique Zmuda, Deputy Controller.
Continued to March 31, 2005.
3/31/05, CONTINUED TO CALL OF THE CHAIR. Speakers: None.
4/7/05, CONTINUED. Heard in Committee. Speakers: Andrew Murray, Office of the Legislative Analyst; Ernestine Weiss.
Continued to April 14, 2005.
4/14/05, CONTINUED. Heard in Committee. Speakers: Monique Zmuda, Deputy Controller; Noelle Simmons, Mayor's Budget Office.
Continued to April 21, 2005.
4/21/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Noelle Simmons, Mayor's Budget Office.
4/28/05, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.
5/5/05, CONTINUED. Heard in Committee. Speaker: Ben Rosenfield, Mayor's Budget Office.
Continued to May 12, 2005.
5/12/05, CONTINUED. Speakers: None.
Continued to May 23, 2005.
2. 050781 [PUC's Hetch Hetchy Capital Improvement Contract]
Supervisor McGoldrick
Hearing to discuss the RFP process, the contract terms and the scope of work covered in the Public Utilities Commission's (PUC) contract award to Parsons and CH2M Hill for the PUC's Hetch Hetchy capital improvement projects.

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.
3. 050795 [Budget Hearing and Review, FY 2005-06]
Hearing to consider the Annual Budget for the Airport and Public Utilities Commission for fiscal year 2005-2006. (Clerk of the Board)

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

4. 050771 [Annual Appropriation Ordinance for Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]

Mayor

Ordinance appropriating all estimated receipts and all estimated expenditures for selected Departments of the City and County of San Francisco as of May 1, 2005 for the fiscal year ending June 30, 2006.

(Fiscal impact; Appropriation for the following selected departments: Airport, Municipal Transportation Agency, Port, Public Utilities Commission, Retirement System, Rent Arbitration Board.)

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

5/12/05, CONTINUED. Heard in Committee. Speakers: Cheryl Adams, Deputy City Attorney; Debra Newman, Budget Analyst's Office; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Michael Burns, Executive Director of Transportation, Municipal Transportation Agency; Norman Rolfe; Barbara Groth, Of the People, By the People, For the People; Howard Strassner, Sierra Club; Sarah Norr, Coalition for Transit Justice; Mike Lonergan, Local 200; Fran Taylor, Walk San Francisco; Susan King, Coalition for Transit Justice; Sue Vaughan, San Francisco Green Party; Monique Zmuda, Deputy Controller.

Continued to May 23, 2005.

5. 050780 [Proposed Annual Salary Ordinance for the Selected Departments, as of May 1, 2005, Fiscal Year 2005-2006]

Mayor

Proposed Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for selected Departments of the City and County of San Francisco as of May 1, 2005, for the Fiscal Year ending June 30, 2006, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor.

5/3/05, RECEIVED AND ASSIGNED to Budget and Finance Committee.

5/12/05, CONTINUED. Heard in Committee. Speakers: Cheryl Adams, Deputy City Attorney; Debra Newman, Budget Analyst's Office; Edward Harrington, Controller; Ken Bruce, Budget Analyst's Office; Michael Burns, Executive Director of Transportation, Municipal Transportation Agency; Norman Rolfe; Barbara Groth, Of the People, By the People, For the People; Howard Strassner, Sierra Club; Sarah Norr, Coalition for Transit Justice; Mike Lonergan, Local 200; Fran Taylor, Walk San Francisco; Susan King, Coalition for Transit Justice; Sue Vaughan, San Francisco Green Party; Monique Zmuda, Deputy Controller.

Continued to May 23, 2005.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget and Finance Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

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There are no items currently pending under the 30 day rule.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 24, 2005

TO: *↳* Budget and Finance Committee

FROM: *✉* Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the
Mayor's Fiscal Year 2005-2006 Budget.

70 08
3
126/05 **Budget Hearing and Review – May 26, 2005 Regular Meeting, 1:00 p.m.**

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AIR Airport.....	1
PUC Public Utilities Commission	16

A handwritten signature in black ink, appearing to read "Harvey M. Rose".

Harvey M. Rose

cc: Supervisor Ammiano
Supervisor Daly
Supervisor Elsbernd
Supervisor Ma
Supervisor McGoldrick
President Peskin
Supervisor Alioto-Pier
Supervisor Duffy
Supervisor Maxwell
Supervisor Mirkarimi
Supervisor Sandoval
Clerk of the Board

Controller
Erin McGrath
Ted Lakey
Cheryl Adams

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**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT: AIR - AIRPORT COMMISSION

FINANCIAL DATA:

The Airport Commission's proposed \$551,769,141 budget for FY 2005-06 is \$24,246,104 or 4.21 percent less than the original FY 2004-05 budget of \$576,015,245. The net decrease from the revised FY 2004-05 budget is \$24,299,958 or 4.22 percent.

SUMMARY OF PROGRAM EXPENDITURES:

<u>Program Expenditures</u>	<u>Fiscal Year 2004-2005</u>		<u>Mayor's Budget</u>	<u>Proposed Increase (Decrease)</u>
	<u>Original</u>	<u>Revised</u>	<u>Fiscal Year 2005-2006</u>	<u>From 2004-2005 Original Budget</u>
ADMINISTRATION, BUSINESS	\$428,750,324	\$428,798,857	\$396,682,704	(\$32,067,620)
FACILITIES MAINT., CONSTRUCT.	78,160,450	78,176,771	120,514,027	42,353,577
SAFETY & SECURITY	30,904,471	30,893,471	34,572,410	3,667,939
 Operating Expenditures less Direct Charges for Fire and Police Services	 \$537,815,245	 \$537,869,099	 \$551,769,141	 \$13,953,896
Capital Projects	38,200,000	38,200,000	0	(\$38,200,000)
Total Expenditures less Direct Charges	\$576,015,245	\$576,069,099	\$551,769,141	(\$24,246,104)
Police & Fire Direct Charges	42,194,855	42,194,855	47,707,070	\$5,512,215
 Total Expenditures	 \$618,210,100	 \$618,263,954	 \$599,476,211	 (\$18,733,889)

Major changes in the Airport's budget by object of expenditure are shown on the following page.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: **AIR-AIRPORT COMMISSION (continued)**

Major Changes in Expenditures

<u>Expenditure</u>	<u>FY 2004-05 Budget</u>	<u>FY 2005-06 Budget</u>	<u>Increase/ (Decrease)</u>
Permanent Salaries – Misc.	\$74,760,946	\$79,988,652	\$5,227,706
Temporary Salaries	1,068,954	2,023,094	954,140
Premium Pay	2,897,008	3,174,570	277,562
One-Time Salary Payments	216,419	449,944	233,525
Overtime	744,356	935,739	191,383
Holiday Pay	879,032	1,060,899	181,867
Retirement	3,126,712	6,415,441	3,288,729
Social Security	5,995,519	6,522,228	526,709
Health Service	10,836,970	14,089,336	3,252,366
Dental Coverage	1,430,677	1,616,283	185,606
Travel	223,700	430,183	206,483
Training	780,071	920,764	140,693
Entertainment & Promotion	77,780	205,400	127,620
Professional & Specialized Services	35,283,604	37,656,288	2,372,684
Maintenance Services – Buildings. & Structures	720,593	914,443	193,850
Maintenance Services- Equipment	11,105,666	12,134,744	1,029,078
Rents and Leases – Buildings & Structures	6,444,673	6,937,920	493,247
Utilities	2,441,100	2,541,500	100,400
Taxes, Licenses & Permits	992,063	1,218,045	225,982
Materials & Supplies Budget Only	38,800	182,266	143,466
Building & Construction Supplies	2,039,772	2,516,534	476,762
Safety	1,095,638	1,280,987	185,349
Other Materials & Supplies	1,591,576	2,682,740	1,091,164
Equipment Purchase	884,449	1,927,180	1,042,731
Debt Service	294,710,354	282,744,477	(11,966,377)
Services of Other Departments	48,574,145	49,395,933	821,788
Annual Service Payment	19,216,000	21,943,000	2,727,000
Capital Projects	<u>38,200,000</u>	<u>0</u>	(38,200,000)
Total	<u>\$566,377,077</u>	<u>\$541,908,590</u>	(\$24,468,487)

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2005-06 is 1,270.58 FTEs, which is 67.68 FTEs more than the 1,202.9 FTEs in the original FY 2004-05 budget. The FTE allocations by program are as follows:

<u>Full Time Equivalents</u>	<u>Fiscal Year 2004-2005</u>		<u>Mayor's Budget</u>	<u>Proposed Increase (Decrease)</u>
	<u>Original</u>	<u>Revised</u>	<u>Fiscal Year 2005-2006</u>	<u>From 2004-2005 Original Budget</u>
ADMINISTRATION, BUSINESS	248.06	248.06	267.39	19.33
FACILITIES MAINT., CONSTRUCT.	785.28	785.28	826.50	41.22
SAFETY & SECURITY	169.56	169.56	176.69	7.13
Totals	1,202.90	1,202.90	1,270.58	67.68

The increase in FTE position count of 67.68 is due to the following transactions:

<u>Transaction</u>	<u>FTE Count</u>
New Positions	51.75
Deleted Positions	(3.00)
Increase in Attrition Savings	(0.01)
Annualization	5.75
Temporary Positions	13.69
Reassignments	0
Pending Technical Adjustment	(0.50)
Total	67.68

The 67.68 FTE net increase in the FTE count for FY 2005-06 is due to 64.5 new positions (51.75 FTE), a 3.00 FTE decrease due to the deletion of positions, a 0.01 FTE decrease in Attrition Savings, an annualization (increase) of 5.75 FTE, a 13.69 FTE increase in temporary salaries, and a 0.5 FTE decrease due to an error that will be corrected by the Mayor's Office.

A listing of the Airport's 64.5 new position requests (51.75 FTE) is shown below. Eight of the 64.5 requested new positions are craft (trade) positions and five positions are for Airport security. Of the 64.5 new positions requested the Budget Analyst is recommending approval of 58.5 positions (48.25 FTE) and is recommending disapproval of six new positions (3.5 FTE).

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

Class Title	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries	Budget Analyst's Recommendations
Legal Secretary I	1458	1.00	\$61,972	1.00	\$61,972	Approve
Curator II	3542	0.50	62,434	1.00	62,434	Approve
Manager VI	0941	0.75	125,583	1.00	125,583	Approve
Property Specialist I	9206	1.50	82,019	2.00	164,038	Disapprove One (.50 FTE)
Principal Account Clerk	1634	0.50	59,584	1.00	59,584	Approve
Senior Systems Accountant	1657	0.50	86,792	1.00	86,792	Approve
Economic Planner	9255	1.50	97,558	2.00	195,116	Approve
Research Assistant	1802	0.50	56,748	1.00	56,748	Approve
Manager V	0933	0.50	124,570	1.00	124,570	Approve
Management Assistant	1842	0.50	63,192	1.00	63,192	Disapprove
Assistant Deputy Director, Bus & Fin	9258	0.50	114,350	1.00	114,350	Approve
Project Director	1070	1.00	88,490	1.00	88,490	Approve
Senior Personnel Clerk	1204	0.50	54,706	1.00	54,706	Approve
Airport Safety Officer	9212	0.50	68,336	1.00	68,336	Disapprove
Operations Supervisor	9220	0.50	80,269	1.00	80,269	Approve
Communications Dispatcher	9202	1.00	59,294	2.00	118,588	Approve
Senior Clerk Typist	1426	1.50	48,446	2.00	96,892	Approve
Secretary I	1444	1.00	46,141	1.00	46,141	Disapprove
Stationary Engineer	7334	1.00	62,344	2.00	124,688	Approve
Sheet Metal Worker	7376	0.50	80,498	1.00	80,498	Disapprove
Automotive Machinist	7313	0.50	62,092	1.00	62,092	Approve
Food Service Cleaner	2706	31.50	39,087	31.50	1,231,239	Approve
Carpenter	7344	0.50	68,816	1.00	68,816	Approve
Steamfitter	7348	0.50	80,038	1.00	80,038	Disapprove
Pest Control Specialist	3424	0.50	63,058	1.00	63,058	Approve
Electronics Maint Tech Asst Supervisor	7329	0.50	90,848	1.00	90,848	Approve
Electrician	9240	0.50	79,684	1.00	79,684	Approve
Sign Worker	7457	0.50	52,772	1.00	52,772	Approve
Clerk	1404	1.00	42,507	1.00	42,507	Approve
Total:		51.75		64.50	\$3,644,041	*

According to the Airport, 31.5 new classification 2706, Housekeeper Food Service Cleaner (31.5 FTE) positions are being requested in the FY 2005-06 budget in order to provide cleaning services for six new domestic terminal food courts, three of which are located in Terminal 1 (the South Terminal) and three of which are in Terminal 3 (the North Terminal). Five of the food courts are currently open, and the

* The Budget Analyst recommends approval of 58.5 positions (48.25 FTE) and recommends disapproval of 6 positions (3.5 FTE)

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

Airport is using 27 Temporary Salary staffpersons to service the food courts. The Airport further reports that food court tenants are covering the costs of the cleaning services. The original plan was for the concession tenants to maintain the food court common areas; however, certain inefficiencies, including conflicts between tenants regarding responsibilities and scheduling of Food Service Cleaners to accommodate peak passenger demands for services, nullified that alternative. Therefore, Airport staff, funded from revenues realized from the concession operators, is handling the maintenance of the food court common areas.

The Budget Analyst is recommending approval of all of the 31.5 FTE requested new 2706 Housekeeper/Food Service cleaner positions assigned to the food courts. In addition to recommending disapproval of 6 new position requests (3.5 FTE), the Budget Analyst is also recommending that a total of two vacant Airport positions be deleted from the Airport's budget. Further, the Budget Analyst is recommending that Attrition Savings be increased by \$739,466, or the equivalent of 12.57 FTE positions in order to make Attrition Savings commensurate with the FY 2004-05 level.

DEPARTMENT REVENUES

Airport revenues, including the use of Fund Balance, have decreased by \$18,733,889 overall, or 3.03 percent, from \$618,210,100 in FY 2004-05 to \$599,476,211 in FY 2005-06.

Major changes in Department Revenue are shown in the table on the following page.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

<u>Revenue Source</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>Increase (Decrease) in Revenues in FY 2005-2006 Compared to FY 2004-2005</u>
Interest Earned – Fiscal Agent	0	\$11,196,000	\$11,196,000
Interest Earned- Pooled Cash	\$15,266,000	5,207,000	(10,059,000)
Airport Parking	48,000,000	51,630,000	3,630,000
Rental – BART	2,500,000	3,180,500	680,500
Concession Rev. – Telephone	694,000	1,836,000	1,142,000
Telecommunications Access Fee	1,143,000	1,488,000	345,000
Concession – Others	1,905,000	2,752,850	847,850
Concession – Others, ITB	4,652,000	4,778,000	126,000
Concession - Duty Free	21,500,000	22,219,500	719,500
Concession Rev. – Gifts & Merchandise	5,300,000	9,402,000	4,102,000
Concession Rev. – Gifts/Merchandise	2,400,000	3,894,000	1,494,000
Concession Rev. – Food & Beverage	5,685,000	7,407,000	1,722,000
Taxicabs	2,944,000	3,859,000	915,000
Ground Trans Trip Fees	3,143,000	4,789,956	1,646,956
Airline Landing Fees	92,267,000	91,688,000	(579,000)
FBO/General Aviation Landing	2,235,000	1,880,000	(355,000)
Passenger Facility Fees	53,000,000	59,048,000	6,048,000
Rental Airline- Central, North, & South Terminals	79,436,500	80,115,000	678,500
Rental - Airline International Terminal	49,073,400	49,216,000	142,600
Rental – Airline Cargo Space	9,152,000	9,565,072	413,072
Rental – Airline Ground Leases	12,909,000	14,106,764	1,197,764
Rental – Airline, Superbay Hangar	5,483,100	5,849,176	366,076
Airline Support Services	2,768,000	3,515,398	747,398
SFO Transportation Fee	12,600,000	18,158,000	5,558,000
Parking, Airline Employees	7,569,000	8,021,951	452,951
Sale of Electricity	15,561,000	19,574,200	4,013,200
Water Resale – Sewage Disposal	3,870,300	4,221,000	350,700
Security Services	2,366,000	2,522,000	156,000
Licenses & Permits	440,000	777,475	337,475
Penalty Assessment	258,000	0	(258,000)
Rent – Governmental Agency	1,551,000	2,037,803	486,803
Miscellaneous Airport Revenue	1,012,000	750,000	(262,000)
Fund Balance	73,910,100	17,207,101	(56,702,999)
Other Revenue Sources	77,616,700	77,553,465	(33,235)
Total	\$618,210,100	\$599,476,211	(\$18,733,889)

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

As shown in the table above, the use of Fund Balance is decreasing by \$56,702,999 from FY 2004-05 to FY 2005-06. Airport revenues from all other sources are increasing by \$37,969,110 or approximately 7.0 percent, with large increases in concession revenues, passenger facility fees, SFO transportation fees, which are fees for transportation to and from the rental car center on the AirTrain, the sale of electricity, and Airport parking revenues.

DESCRIPTION

1. Mr. Ben Kutnick, the Airport's Director of Finance, reports that the Airport's FY 2005-06 Budget includes Passenger Facility Charge (PFC) revenues of \$59,048,000 compared to \$53,000,000 in FY 2004-05. PFC revenues are revenues obtained from a \$4.50 charge on each enplaned passenger. The Airport reports that all FY 2005-06 PFC revenues are being used for debt service payments.
2. According to the Airport, Virgin America, a new low-cost startup airline, advised the Airport, approximately one year ago that it would base its operations and maintenance headquarters at San Francisco International Airport. Virgin executives anticipate that up to 1,650 new jobs will be created at the Airport. According to the Airport, the jobs will include pilots, flight attendants, maintenance workers, and operations personnel. While Virgin America has not provided a definitive start-up date, according to Ms. Kandace Bender of the Airport, Virgin America reiterated to Airport staff on May 20, 2005, that it intends to begin service from San Francisco in 2006. According to Mr. Kutnick, Virgin America has hired 16 senior people in the Bay Area and is currently accepting applications for immediate hire of another 14 senior jobs in the Bay Area.
3. The following table, provided by the Airport from the Airport's financial statements and other documents, contain data on revenues, enplanements, debt service, and position count for the period of FY 1998-99 through FY 2004-05.

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
							Estimated
Airport Revenue ¹	\$302,023,000	\$363,152,000	\$414,830,000	\$465,176,000	\$500,116,000	\$567,769,880	\$583,883,100
Enplanements	19,603,682	20,171,430	19,430,658	15,539,035	14,615,385	15,396,139	16,500,000
O&M Expense Less Interest Expense	\$202,245,000	\$190,584,000	\$234,574,000	\$219,983,000	\$252,976,000	\$179,784,000	\$274,903,815
Debt Service Payments	\$111,666,479	\$163,195,797	\$167,329,003	\$216,107,970	\$275,506,212	\$292,314,433\$	\$283,372,831
Position Count	1,253	1,569	1,783	1,754	1,670	1,345	1,321
Enplanements per Position	15.645	12.856	10.898	8.859	8.752	11.375	12,491

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: AIR-AIRPORT COMMISSION (continued)

The Airport has budgeted \$100,000 in Entertainment and Promotion to fund an A380² conference on July 11 and 12 for Airbus, the manufacturer of the A380 aircraft, various airlines, and airport officials to discuss preparations for the arrival of the A380 aircraft at San Francisco International Airport. According to Airport staff, San Francisco International Airport would be the first airport in the United States to be fully ready for the A380 and is expected to be the first United States airport where an A380 aircraft will fly (Singapore Airlines). Also according to Airport staff, the conference will help introduce airlines currently not serving San Francisco International, such as Qantas, Malaysia Airlines, and Emirates to the current state of A380 readiness, as well as showcase the Airport's superior facilities and services. The Airport has updated its budget requirements for this project to \$75,000, which the Budget Analyst is recommending approval of.

According to the Airport, San Francisco International Airport suffered the largest drop in passengers of any airport in the United States because of the economic downturn, September 11, and other factors. The Budget Analyst notes that the projected 16,500,000 enplanements for FY 2004-2005 exceed the total enplanements of 14,615,385 in FY 2002-2003 by 1,884,615, or 12.9 percent. For FY 2005-06, the Airport has budgeted 17,116,000 enplanements, an increase of 616,000 enplanements or 3.73 percent over projected FY 2004-05 enplanements of 16,500,000.

BOARD OF SUPERVISORS POLICY PRIORITIES

The following initiative in the Airport's FY 2005-2006 budget responds to the Board of Supervisors budget priorities:

- The Airport budgeted \$250,000 in FY 2004-2005 and \$332,000 in FY 2005-2006 for SFO Career Connect, the Airport's At-Risk Youth Employment Program, per the Board's Citywide request for continuation of youth jobs programs initiated in FY 2004-2005.

COMMENT

The Airport's FY 2005-06 budget includes the Annual Service Payment to the General Fund of \$21,943,000 for the City's 15 percent share of concession revenues, compared to \$19,216,000 transferred to the General Fund in FY 2004-05, an increase of \$2,727,000 or 14.2 percent.

² The A380 is an Airbus-developed aircraft of the next generation of new large aircraft (NLA) that are expected to be put into service in the summer of 2006. At present, the Airport operates five gates in the International Terminal Complex with sufficient clearance to accept NLA.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

Page <u>No.</u>	<u>Object</u>	<u>Position/ Equipment Number</u>	<u>Number</u>			<u>Amount</u>	<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>			
<u>Administration, Business - BGF</u>								
24	001	Permanent Salaries - Misc.				\$20,007,284	\$19,642,294	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.								
43	001	Affirmative Action Specialist	1233A	1.00	0.00	88,038	0	\$88,038
To delete one position that has been vacant for almost four years.								
45	001	Management Assistant	1842AN	0.50	0.00	31,596	0	31,596
To delete one new position (.5 FTE) request based upon the Department's updated requirements. Another Management Assistant position within the Administration and Business Program but currently assigned to another Business & Finance Program Division is being transferred to perform the duties.								
45	001	Curator III	3544A	2.00	1.00	131,683	65,842	65,842
To delete a Curator III position that has been vacant for over three years.								
48	001	Airport Property Specialist I	9206AN	1.50	1.00	123,029	61,514	61,514
To delete one new position (.5 FTE) not sufficiently justified. The Budget Analyst is recommending approval of one of the requested two new Airport Property Specialist I positions, based on workload.								

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

Page	Object	Position/ Equipment	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>Number</u>	<u>From</u>	<u>To</u>	<u>From</u>	
48	001	Attrition Savings	9993M	(23.85)	(25.38)	(\$1,836,360)	(\$1,954,360) \$118,000
Increase Attrition Savings by the equivalent of 1.53 positions in accordance with current spending rate.							
24	005	Temp Salaries - Misc				554,356	524,356 30,000
		Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.					
24	013	Mandatory Fringe Benefits					110,377
		* Corresponds to reduction in salaries.					
24	021	Travel				321,525	271,525 50,000
		The Airport's total requested Travel budget for FY 2005-06 is \$430,183, which is \$206,483 or over 92 percent more than the original budget of \$223,700 for FY 2004-05. The Airport's projected expenditures for Travel in FY 2004-2005 are \$298,000, or \$74,300 more than the total Travel budget of \$223,700, as previously approved by the Board of Supervisors, representing 33.2 percent over budget. For the FY 2005-2005 budget, the Airport's requested 92 percent increase of \$206,483 over the FY 2004-2005 original budget includes \$117,161 budgeted for increases in conjunction with Security (\$60,000) and Marketing (\$57,161). The Budget Analyst is recommending approval of the \$117,161 for increases in Security and Marketing. However, the Budget Analyst is recommending that the Airport's Travel budget be reduced by \$60,500 including \$50,000 on page 24 and \$10,500 on page 29. Our recommendation would still provide an increase of \$145,983 from the original FY 2004-2005 budget for travel of \$223,700 as previously approved by the Board of Supervisors.					
24	022	Training				613,464	538,464 75,000
		To reduce the Training budget in accordance with the Airport's updated requirements. The recommended amount would still provide for an increase of approximately \$66,000, or 8.4 percent, over the Airport's FY 2004-05 budget for Training.					
24	025	Entertainment & Promotion				182,900	157,900 25,000
		Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06					

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

Page <u>No.</u>	<u>Object</u>	<u>Position/ Equipment Number</u>	<u>Number</u>	<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>		
24	027	Professional & Spec Services			\$24,723,317	\$24,508,317	\$215,000
		To reduce Professional & Specialized Services in accordance with the Airport's updated requirements for on-call consulting services.					
24	029	Maintenance Services - Equipment			1,202,413	1,152,413	50,000
		Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.					
24	035	Other Current Expenses			3,973,288	3,873,288	100,000
		To reduce Other Current Expenses in accordance with the Airport's updated requirements based on a reduced need for printing and moving services.					
24	049	Other Materials & Supplies			1,543,142	1,293,142	250,000
		Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.					
25	060	Equipment Purchase			264,000	239,000	*
		* The recommended reduction in equipment is the total of the following specific recommendations.					
63	060	Equipment Purchase Budget	06000	16.00	15.00	264,000	239,000
		To delete one computer server. The department advises that it can defer the purchase of one of three servers, based on a reassessment of current capabilities.					

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS**
2005-06

Department: AIR - Airport Commission

Page	Object	Category & Security - BGG	Position/ Equipment	Number		Amount		Savings
			Number	From	To	From	To	
29	001	Permanent Salaries - Misc.				\$12,095,942	\$12,061,774	*
<p>* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.</p>								
52	001	Airport Safety Officer	9212AN	0.50	0.00	34,168	0	\$34,168
<p>To delete one new position request based upon the Department's updated requirements. The Department is currently authorized 34 such positions, but has four vacancies, which now have approved requisitions.</p>								
29	005	Temp Salaries - Misc				291,551	273,051	18,500
<p>Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.</p>								
29	005	Premium Pay				406,242	381,242	25,000
<p>Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.</p>								
29	013	Mandatory Fringe Benefits						13,157
<p>* Corresponds to reduction in salaries and premium pay..</p>								
29	021	Travel				62,708	52,208	10,500
<p>The Airport's total requested Travel budget for FY 2005-06 is \$430,183, which is \$206,483 or over 92 percent more than the original budget of \$223,700 for FY 2004-05. The Airport's projected expenditures for Travel in FY 2004-2005 are \$298,000, or \$74,300 more than the total Travel budget of \$223,700, as previously approved by the Board of Supervisors, representing 33.2 percent over budget. For the FY 2005-2005 budget, the Airport's requested 92 percent increase of \$206,483 over the FY 2004-2005 original budget includes \$117,161 budgeted for increases in conjunction with Security (\$60,000) and Marketing (\$57,161). The Budget Analyst is recommending approval of the \$117,161 for increases in Security and Marketing. However, the Budget Analyst is recommending that the Airport's Travel budget be reduced by \$60,500 including \$10,500 on page 29 and \$50,000 on page 24. Our recommendation would still provide an increase of \$145,933 from the original FY 2004-2005 budget for travel of \$223,700 as previously approved by the Board of Supervisors.</p>								

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

Page <u>No.</u>	<u>Object</u>	<u>Position/ Equipment Number</u>	<u>Number</u>	<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>			
29	022	Professional & Specialized Services			\$12,192,121	\$12,177,121	\$15,000
		To reduce Professional & Specialized Services in accordance with the Department's updated requirements for graphic design services that cannot be performed in-house.					
30	049	Other Materials & Supplies			211,320	161,320	50,000
		Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.					

Facilities Maintenance, Construction - BGH

34	001	Permanent Salaries - Misc.			47,480,107	46,732,232	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
54	001	Secretary I	1444AN	1.00	0.00	46,141	0
To delete one requested new Secretary I position. Another division within the Facilities, Maintenance, and Construction Program has a Secretary I position that has been vacant for two years that can be transferred within the Program.							
58	001	Steamfitter	7348AN	0.50	0.00	40,019	0
To delete one requested new Steamfitter position (.5 FTE) based upon the Department's updated requirements. The Department has a funded but vacant Steamfitter position that when filled, can perform the duties.							

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

<u>age No.</u>	<u>Object</u>	<u>Position/ Equipment Number</u>	<u>Number</u>	<u>Amount</u>				
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>	
58	001	Sheetmetal Worker	7376AN	0.50	0.00	\$40,249	0	\$40,249
								To delete one requested new Sheetmetal Worker position (0.5 FTE) based upon the Department's updated requirements. The Department has a funded but vacant Sheetmetal Worker position that when filled, can perform the duties.
59	001	Attrition Savings	9993M			(5,384.913)	(\$6,006,379)	621,466
								To increase Attrition Savings commensurate with the FY 2004-05 level.
34	005	Temp Salaries - Misc				429.233	329.233	100.000
								Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.
34	009	Premium Pay				2,622.157	2,422,157	200,000
								Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.
34	012	Holiday Pay				838,183	788,183	50.000
								Reduce to actual 2004-05 expenditure level adjusted by a cost of living factor for 2005-06.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-06**

Department: AIR - Airport Commission

<u>Page</u>			<u>Position/ Equipment Number</u>	<u>Number</u>		<u>Amount</u>		
<u>No.</u>	<u>Object</u>			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>Savings</u>
34	013	Mandatory Fringe Benefits						\$245,02
* Corresponds to reduction in salaries, premium pay, and holiday pay.								
34	027	Professional & Specialized Services				\$627,300	\$527,300	100,000
Reduce to actual 2003-04 expenditure level adjusted by a cost of living factor for 2004-05.								
35	060	Equipment Purchase				762,980	539,380	*
* The recommended reduction in equipment is the total of the following specific recommendations.								
64	060	Equipment Purchase Budget	06000	20.00	19.00	324,000	214,000	110,000
To delete one eight-yard litter picker, in accordance with the Department's updated requirements..								
The Department has decided that the existing litter picker will be operational for one more year.								
64	060	Automotive & Other Vehicles	06029	14.00	11.00	438,980	325,380	113,600
To delete three one-half ton pick-up trucks in accordance with the Department's updated requirements. The Facilities Maintenance & Construction Program has advised that it is able to delete its three lowest-priority vehicle requests in accordance with the City's vehicle replacement policies.								
Total Recommended Reductions								\$3,128,18
General Fund Impact								
Non General Fund Impact								\$3,128,18

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT:

PUC - PUBLIC UTILITIES COMMISSION

FINANCIAL DATA:

The Public Utilities Commission's proposed \$754,464,037 budget for FY 2005-2006 is \$15,763,867 or approximately 2.1 percent less than the original FY 2004-2005 budget of \$770,227,904. The net increase from the revised FY 2004-2005 budget is \$12,238,080 or approximately 1.6 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditure by Enterprise	Fiscal Year 2004-05		Mayor's Budget Fiscal Year 2005-2006	Proposed Increases (Decreases) 2004-2005 Original Budget
	Original	Revised		
Wastewater				
Wastewater	157,666,686	156,859,671	161,682,330	4,015,644
Wastewater Capital Projects	51,731,550	51,731,550	60,900,000	9,168,450
Subtotal	209,398,236	208,591,221	222,582,330	13,184,094
Hetch Hetchy				
LHP Admin & Streetlight Maintenance	2,153,647	2,153,647	2,058,256	(95,391)
Power & Water Supply Operations	101,533,768	99,570,255	104,960,452	3,426,684
Light, Heat and Power	69,097,291	69,098,291	71,601,731	2,504,440
Hetch Hetchy Capital Projects	33,312,000	33,210,000	29,500,000	(3,812,000)
Solar Power Program	5,065,000	5,065,000	-	(5,065,000)
Subtotal	211,161,706	209,097,193	208,120,439	(3,041,267)
Water				
Operations Administration	1,626,468	2,105,699	36,319,961	34,693,493
Water (In-City) Distribution (Retail)	111,908,898	82,888,746	93,621,029	(18,287,869)
Water Quality	13,420,699	13,427,190	12,980,508	(440,191)
Water Supply & Treatment (Wholesale)	55,477,061	55,455,085	36,287,162	(19,189,899)
Natural Resources	1,017,995	952,822	6,594,889	5,576,894
Water Resources	-	-	2,455,041	2,455,041
Water Capital Projects	73,735,000	73,735,000	35,355,000	(38,380,000)
Water Programmatic Projects	1,000,000	1,000,000	1,000,000	-
Subtotal	258,186,121	229,564,542	224,613,590	(33,572,531)
Total Enterprises	678,746,063	647,252,956	655,316,359	(23,429,704)
SFPUC Bureaus				
PUC General Manager	12,556,877	12,778,504	13,405,250	848,373
Engineering & Construction	39,137,174	40,051,794	41,408,248	2,271,074
Finance	6,073,921	6,281,477	7,437,796	1,363,875
Information Technology	12,846,775	14,161,350	14,714,932	1,868,157
Customer Services	9,639,624	9,941,339	11,148,264	1,508,640
Human Resources	5,044,879	5,072,629	6,433,838	1,388,959
Real Estate	1,320,373	1,358,467	1,522,585	202,212
External Affairs	4,862,218	5,327,441	3,076,765	(1,785,453)
Total SFPUC Bureaus	91,481,841	94,973,001	99,147,678	7,665,837
Total	770,227,904	742,225,957	754,464,037	(15,763,867)

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT: PUC - PUBLIC UTILITIES COMMISSION

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2005-2006 is 1,584.76 FTEs, which is 71.37 FTEs more than the 1,513.39 FTEs in the original FY 2004-2005 budget. The FTE allocations by program are as follows:

Full Time Equivalent Positions

<u>Program</u>	<u>Fiscal Year 2004-2005 Original</u>	<u>Mayor's Budget Fiscal Year 2005-2006</u>	<u>Proposed Increase (Decrease) 2004-2005 Original Budget</u>
Water Pollution Control	426.97	439.66	12.69
LHP Admin & Streetlight Maint	4.6	3.75	(0.85)
Power & Water Supply Operation	203.77	213.76	9.99
Customer Services	96.51	102.01	5.5
Water (In-City) Distribution	196.41	206.97	10.56
Water Quality	92.26	80.15	(12.11)
Water Supply and Treatment	258.39	228.23	(30.16)
Operation Administration	10.21	6.69	(3.52)
Natural Resources	3.79	55.75	51.96
Water Resources	0	14.98	14.98
PUC General Manager	11.36	10.37	(0.99)
Information Technology	70.42	77.17	6.75
Finance	45.12	53.55	8.43
Engineering Construction	5.46	6.2	0.74
System Planning/Regulation Control	32.03	23.8	(8.23)
Human Resources	47.79	53.17	5.38
Real Estate	8.3	8.55	0.25
TOTAL	1513.39	1584.76	71.37

DEPARTMENT REVENUES

Department revenues for FY 2005-2006 are projected to be \$484,282,532, an increase of \$23,703,543 or approximately 5.1 percent over FY 2004-2005 budgeted revenues of \$460,578,989. This increase is largely due to approved water and sewer rate increases. Of this increase, \$18,675,126 results from a 13 percent sewer rate increase. A further \$11,140,500 in increased revenues results from a 15 percent retail water rate increase, but that increase is offset by an \$8,205,689 refund to the Bay Area Water Supply and Conservation Agency balancing account, for a net revenue increase of \$2,934,811. In addition, electricity revenues are increasing by \$2,093,606.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT:

PUC - PUBLIC UTILITIES COMMISSION

DESCRIPTION

The Department's proposed FY 2005-2006 budget reflects a number of significant changes, including:

- The ongoing restructuring of the Department into three enterprises: (a) the Wastewater Enterprise; (b) the Power Enterprise; and (c) the Water Enterprise.
- The increase of 71.37 FTEs includes 27.77 FTE new positions. Of these positions, the Budget Analyst recommends approval of 16.02 FTE and disapproval of 11.75 FTE.
- A \$3,041,267 increase in the Wastewater Enterprise's budget. Changes include (a) assuming responsibility for the majority of the former Bureau of Environmental Regulation and Management's functions, (b) the transfer of the Southeast and Oceanside Water Treatment Plant Laboratory budget to the Wastewater Enterprise, and (c) new initiatives related to additional sewer cleaning (\$1 million), inspections and treatment of catch basins (\$1.5 million), and increasing sewer inspections to 10 percent of sewers annually (\$500,000).
- A \$3,041,267 reduction in the Power Enterprise's budget due to reduced capital expenditures and changes to the funding of its solar power, renewable energy, and energy efficiency initiatives. (See the "Board of Supervisors Policy Priorities" Section below.)
- Despite a budget reduction of \$33,572,531, the Water Enterprise is undertaking new initiatives related to its Infrastructure Leakage Index Program, Lands Management and Landscape Maintenance Program, fisheries monitoring, security and water contamination emergency response, auxiliary water supply, and safety procedures. A Natural Resources Section has been created within the Water Enterprise to focus on lands management and environmental services.
- In FY 2005-2006, the Public Utilities Commission will transfer \$39,444,576, or approximately 5.2 percent of its budget, to other City departments, both General Fund and enterprise departments, for work orders to pay for various services provided by other City departments.

BOARD OF SUPERVISORS POLICY PRIORITIES

The Public Utilities Commission's proposed FY 2005-2006 budget addresses the Board of Supervisors' FY 2005-2006 budget priorities, as agreed on May 3, 2005, in the following ways:

- *Solar power, renewable energy, and energy efficiency:* The proposed FY 2005-2006 appropriation of \$8.5 million for the Clean Energy/Clean Air Initiative will fund renewable energy and energy efficiency projects for General Fund and enterprise departments. Not included in the Department's FY 2005-06 budget are three solar projects at San Francisco General Hospital, the Airport, and the Water Department which the Public Utilities Commission has directed staff to pursue , which will be funded by a projected \$12 million in certificates of participation.
- *Youth employment and apprenticeship programs:* The Public Utilities Commission is carrying forward FY 2004-05 funds for ongoing youth employment and apprenticeship programs that employ at-risk and low-income youth. Of the \$2.5 million budgeted in FY 2004-05, \$640,000 has been spent and the rest has been programmed for expenditure in FY 2005-06 (\$1.3 million) and in FY

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2006-07 (\$560,000). The 35 apprentices and interns in the "Earth Steward Program", a program jointly administered under a grant agreement with the San Francisco Garden Project sponsored by the Sheriff, support the City Distribution Division with landscaping and maintenance activities. In FY 2005-2006, the Earth Steward Program will expand to support the Wastewater Enterprise and the Water Enterprise's Water Supply and Treatment Division. In April of 2005, 15 Earth Steward Program apprentices graduated to the 7501 Labor Apprenticeship Program. Upon completion of their apprenticeships in February of 2007, these apprentices will graduate to full journey-level laborers, eligible for various types of City employment.

- *Broadband communications system:* At its March 3, 2005 meeting, the Public Utilities Commission voted to release \$300,000 in reserved funds for a feasibility study of a City broadband communications system.
- *Administrative efficiency:* The Department is in the process of implementing recommendations from the Budget Analyst's management audit reports completed in 2004 and 2005 on the Clean Water Enterprise Fund, the Hetch Hetchy Enterprise Fund, and the Water Enterprise Fund. (See "Management Audit of the Public Utilities Commission" section below.)
- *Assistance to low-income residents:* The Department administers low-income assistance programs for sewer rates, including the Community Assistance Program (CAP) which was introduced in July of 2004 to provide low-income single family residential ratepayers with a 15 percent discount on sewer service charges. Almost 3,000 customers have already enrolled. On July 1, 2005 the CAP discount will increase to 35 percent and the Department will implement a new 15 percent low-income non-profit housing discount, as previously approved by the Board of Supervisors. In addition, from July 1, 2004 there will be a new sewer capacity fee for new developments.

MANAGEMENT AUDIT OF THE PUBLIC UTILITIES COMMISSION

The Budget Analyst has issued the first three of four management audit reports completed in 2004 and 2005 on the Public Utilities Commission. The following summarizes the status of the Department's implementation of the Budget Analyst's management audit recommendations:

1. The *Phase I Management Audit of the Public Utilities Commission - Clean Water Enterprise Fund* (September 27, 2004) contains 63 recommendations. In its written response to the management audit report, the Public Utilities Commission agreed with 50 recommendations (approximately 79.4 percent), advised that it was actively considering ten recommendations, and disagreed with the following three recommendations:
 - *Recommendation 3.2: In conjunction with the Water Pollution Control Division Manager, assess the options for reducing or limiting increases in chemical costs, such as revised vendor contracts, prior to the Public Utilities Commission's FY 2005-2006 budget preparation and review.* Department staff advise that the FY 2005-06 budget for chemicals is \$4,864,076, and that the Wastewater Enterprise is currently undertaking the bidding process for all chemicals. The Wastewater Enterprise is aiming to obtain the best prices it can from bulk chemical vendors.

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- *Recommendation 3.3: In conjunction with Financial Services, evaluate the feasibility of operating the treatment plants during off-peak hours, which includes an assessment of storage capacity and odor control at different levels of storage and off-peak operations and the potential associated cost savings. This analysis should be part of the FY 2005-2006 budget preparation and review.* Department staff advise that no formal evaluation has been performed to date. Department staff state that operating treatment plants during off-peak hours is not conducive to good effluent quality because biological treatment systems prefer a constant flow for peak performance. However, the Wastewater Enterprise will be participating in a two year Demand Reduction Program beginning on June 1, 2005 in which the Wastewater Enterprise will shed electrical load at both treatment plants several times a month during peak usage periods. This program will give the Wastewater Enterprise the opportunity to study the effects of storing sewage in the system for hours at a time as well as the effects on the biological systems.
- *Recommendation 3.4: In conjunction with the Water Pollution Control Division Manager, the Pretreatment, Pollution Prevention, and Storm Water Manager, and the Water Quality Bureau Laboratories Manager, develop budgetary benchmarks for the Clean Water Enterprise Fund.* Department staff advise that as part of the Mayor's SFStat Program, the manager of the Wastewater Enterprise's new Planning and Regulatory Division is developing a performance measurement program for the Wastewater Enterprise.

The Finance and Audits Committee conducted a hearing on the Phase I management audit report on October 27, 2004 and agreed to hear the report again after the Public Utilities General Manager had completed her departmental reorganization. No action was taken by the Finance and Audits Committee on any of the report's recommendations.

2. *The Phase II Management Audit of the Public Utilities Commission - Hetch Hetchy Enterprise Fund (December 21, 2004) contains 39 recommendations. At its March 28, 2005 hearing, the Government Audits and Oversight Committee concurred with all recommendations with the exception of:*

- *Recommendation 1.3: Reserve 75 percent of FY 2005-2006 capital project appropriations for the Hetch Hetchy Enterprise until the Department transmits a Hetch Hetchy Enterprise business plan to the Board of Supervisors.* The Government Audits and Oversight Committee agreed that this recommendation should be approved only if the Public Utilities Commission has not finalized a business plan for the Hetch Hetchy Enterprise Fund by June 30, 2005. The Public Utilities Commission submitted a preliminary draft Hetch Hetchy Enterprise business plan to the Budget Analyst on May 24, 2005. Therefore, the Budget Analyst recommends a 75 percent reserve to the Hetch Hetchy Capital Projects Program pending completion of the Hetch Hetchy Enterprise business plan.
- *Recommendation 7.3: Negotiate a memorandum of understanding between the Public Utilities Commission and the Department of Public Works [about the transfer of the Streetlight Management Program to the Department of Public Works]. In order to contain the cost of Hetch Hetchy Enterprise Fund revenue transfers, this memorandum of understanding should cap the Hetch Hetchy Enterprise's funding for the Streetlight Management Program by setting (a) a*

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dollar amount per streetlight with an inflation adjustment formula for future years, and (b) energy efficiency goals. The Government Audits and Oversight Committee agreed that this recommendation should be subject to formal input from the Department of Public Works before a final decision is taken. The Public Utilities Commission advises that it wishes to retain the Streetlight Management Program in FY 2005-2006, during which time the Department will evaluate whether to transfer the function to the Department of Public Works, and how to transfer it if such a transfer is appropriate.

- *Recommendation 9.1: Incorporate into the position descriptions and performance evaluations for the Assistant General Manager, External Relations and the Assistant General Manager, Operations a requirement to work closely with each other to manage the policy/operations split between the Power Policy Division and the Water Operations and Power Operations Divisions.* The Government Audits and Oversight Committee disapproved this recommendation because it was no longer relevant due to the committee's disapproval of Recommendations 10.1 - 10.4 of the *Phase III Management Audit of the Public Utilities Commission - Water Enterprise Fund* (see below).
 - *Recommendation 9.2: Eliminate the 1.00 FTE Classification 5643 Manager, Resource Planning and Administration position.* The Government Audits and Oversight Committee requested that this recommendation be considered as part of the FY 2005-2006 budget review. Due to the reorganization of the Department's power related functions, the Department has deleted this position.
3. The *Phase III Management Audit of the Public Utilities Commission - Water Enterprise Fund* (March 23, 2005) contains 91 recommendations. At its March 28, 2005 hearing, the Government Audits and Oversight Committee concurred with all recommendations with the exception of:
- *Recommendation 6.1: Transfer executive management responsibility for the Southeast and Oceanside Water Pollution Control Plant Laboratories to the new Assistant General Manager, Clean Water position.* The Government Audits and Oversight Committee agreed that there should be no decision pending the Controller's audit of the laboratory cost allocation system.
 - *Recommendation 6.2: Eliminate the 1.00 FTE Classification 5133 Program Manager II, Director of Laboratories, position.* The Government Audits and Oversight Committee agreed that nine months of this position's funding in the FY 2005-2006 budget should be reserved pending the Controller's audit of the laboratory cost allocation system. Therefore, the Budget Analyst has recommended a reserve in the FY 2005-06 budget.
 - *Recommendation 6.3: Transfer 2.00 FTE administrative support positions from the Water Quality Bureau to the Southeast and Oceanside Water Pollution Control Plant Laboratories.* The Government Audits and Oversight Committee did not make a decision pending the Controller's audit of the laboratory cost allocation system.

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- *Recommendation 6.4: Direct the Water Quality Bureau Manager and the new Assistant General Manager, Clean Water to develop contracts or work orders between their laboratories to ensure the continued rationalization of technical and support services and prompt service reprioritization in emergencies.* The Government Audits and Oversight Committee did not make a decision pending the Controller's audit of the laboratory cost allocation system.
- *Recommendation 8.1: The Mayor's Budget Office should include funds in the Mayor's Recommended FY 2005-2006 Treasure Island Development Authority budget to pay utility costs, including a schedule to pay the past due balance.* The Government Audits and Oversight Committee agreed that this recommendation should be included in the Board of Supervisors policy priorities for the FY 2005-2006 budget. The Board of Supervisors final list of policy priorities for the FY 2005-2006 budget does not include this recommendation.
- *Recommendation 9.2: Eliminate the 1.00 FTE Classification 5174 Administrative Engineer position.* The Government Audits and Oversight Committee requested that this recommendation be considered as part of the FY 2005-2006 budget review. The Department has restructured the functions previously contained in the Bureau of Environment Regulation and Management, transferring the majority of them to the Wastewater Enterprise. The Wastewater Enterprise wishes to convert the vacant 5174 Administrative Engineer position into a 5241 Engineer position for the new Master Plan Section of the Wastewater Enterprise's new Planning and Regulations Division. The Budget Analyst concurs with this proposal and has included it as a recommendation in the FY 2005-2006 budget review under the Water Pollution Control Program.
- *Recommendation 9.3: Eliminate the 1.00 FTE Classification 5138 Program Manager I, Environmental Compliance Program, position.* The Government Audits and Oversight Committee requested that this recommendation be considered as part of the FY 2005-2006 budget review. The Department has restructured the functions previously contained in the Bureau of Environment Regulation and Management, transferring the majority of them to the Wastewater Enterprise. The Wastewater Enterprise wishes to move the 5138 Program Manager I position into the new Strategic Planning Section of the Wastewater Enterprise's new Planning and Regulations Division. The Budget Analyst concurs with this proposal and, therefore, has not recommended deletion of this position in the FY 2005-2006 budget review.
- *Recommendation 9.4: Eliminate the 1.00 FTE Classification 1446 Secretary II position.* The Government Audits and Oversight Committee requested that this recommendation be considered as part of the FY 2005-2006 budget review. The Department has restructured the functions previously contained in the Bureau of Environment Regulation and Management, transferring the majority of them to the Wastewater Enterprise. The Wastewater Enterprise wishes to move the 1446 Secretary II position into the new Planning and Regulations Division. The Budget Analyst concurs with this proposal and, therefore, has not recommended deletion of this position in the FY 2005-2006 budget review.

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- *Recommendation 10.1: Convert the Classification 5166 Assistant General Manager, Water position into a Classification 5166 Assistant General Manager, Water and Power position.* Disapproved by the Government Oversight and Audits Committee.
 - *Recommendation 10.2: Not upgrade the existing Classification 0941 Manager VI, Director of Power Policy position to any higher classification.* Disapproved by the Government Oversight and Audits Committee.
 - *Recommendation 10.3: Reinstate the reporting line between the Director of Power Policy and the Assistant General Manager, External Relations.* Disapproved by the Government Oversight and Audits Committee.
 - *Recommendation 10.4: Reconsider the need for a separate Assistant General Manager, Retail Power position if the Department becomes a community choice aggregator.* Disapproved by the Government Oversight and Audits Committee.
 - *Section 11: Land Management.* The Government Audits and Oversight Committee stated that it will recommend a reserve, or a report back by a date certain, to ensure timely preparation of written land and property management protocols that support comprehensive land management.
4. The *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus* is currently in preparation. It is anticipated that this report will be submitted to the Board of Supervisors in July of 2005. Certain recommendations which have already been developed are contained in the Budget Analyst's review of the Public Utilities Commission's proposed FY 2005-2006 budget.

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Object	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
		<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		

MAX Water Pollution Control - 5C AAA AAA CWP-Operating-Non-Proj-Controlled Fund

36	001	Permanent Salaries - Misc.			\$30,867,111	\$30,276,937	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
33	001	Manager VI	0941 AS	3.00	0.00	401,862	0
33	001	Manager IV	0932 AS	0.00	1.00	0	115,729
34	001	Public Buildings Maintenance and Repairs Assistant Superintendent	5102 AS	0.00	0.75	0	(81,687)
34		Program Manager II	5133 AS	0.00	1.00	0	122,409

The Department has provided insufficient justification for substituting 3.00 FTE permanent 0941 Manager VI positions (at an annual maximum salary of \$133,954 plus mandatory fringe benefits each) to replace three existing senior management positions in terms of legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

These three existing positions are (a) a filled 1.00 FTE 0932 Manager at an annual maximum salary of \$115,729 plus mandatory fringe benefits, (b) a vacant 1.00 FTE 5102 Public Buildings Maintenance and Repairs Assistant Superintendent at an annual maximum salary of \$108,916 plus mandatory fringe benefits, and (c) a filled 5133 Program Manager II at an annual maximum salary of \$122,409 plus mandatory fringe benefits. By upgrading these positions to job classification 0941 Manager VI, the Department would be expending an additional \$54,808 annually at the maximum salary step (based on the full 3.00 FTE salaries), or an average increase per position of \$18,269.

Reduce the vacant 1.00 FTE 5102 Public Buildings Maintenance and Repairs Assistant Superintendent position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.

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394	001	Administrative Engineer	5174 A	1.00	0.00	110,181	0
394	001	Engineer	5241 AS	0.00	0.75	0	75,599

Replace a vacant 1.00 FTE 5174 Administrative Engineer position for a 5241 Engineer position to be utilized in the Master Plan Section of the Wastewater Enterprise's new Planning and Regulations Division, as proposed in the "Regulatory Compliance Staffing Plan" provided by the Department.

Reduce the vacant 1.00 FTE 5241 Engineer position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.

394	001~	Assistant Engineer	5203 AS	0.00	1.00	0	76,053	(76,053)
394	001	Associate Engineer	5207 AS	1.00	0.00	88,490	0	88,490

The Department has provided insufficient justification for substituting a 1.00 FTE 5207 Associate Engineer position for a filled 1.00 FTE 5203 Assistant Engineer position, at an increased salary cost of \$12,437, because:

- (a) There are already 7.00 FTE 5207 Associate Engineer positions in the Clean Water Enterprise, of which one has been vacant since May 2, 2003.
- (b) There is no legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

394	001	Associate Engineer	5207 O	6.00	4.00	522,574	348,383	174,191
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Eliminate 2.00 FTE 5207 Associate Engineer positions which have been vacant since July 1, 2003.

395	001	Senior Engineer	5211 O	2.50	1.50	291,733	175,040	116,693
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Eliminate a 1.00 FTE 5211 Senior Engineer position which has been vacant since July 1, 2003.

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35	001	Senior Engineer	5211 ON	0.50	0.00	58,347	0	58,347
Eliminate a new 0.50 FTE increase to an existing 0.50 FTE 5211 Senior Engineer position in the Wastewater Engineering Division for the following reasons:								
<ul style="list-style-type: none"> (a) The Wastewater Enterprise already has 7.00 FTE 5211 Senior Engineer positions, of which 2.00 FTE are currently vacant (one since July 1, 2003). If Senior Engineer positions are a priority, the Wastewater Enterprise should instead keep positions in other classifications vacant to achieve its salary savings goals. (b) The manager of this proposed position has indicated that he actually requires another classification, 5366 Engineering Associate II. The Budget Analyst questions how thoroughly this budget request has been developed. (c) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget. 								
35	001	Wastewater Control Inspector	6115 AS	2.00	1.50	147,013	110,260	36,753
Reduce the vacant 2.00 FTE 6115 Wastewater Control Inspector positions to 1.50 FTE to reflect their estimated hiring date of October 1, 2005.								
35	001	Electronic Instrumentation Technician	7336 A	20.00	19.00	1,710,916	1,625,370	85,546
35	001	Carpenter	7344 AS	1.00	1.75	68,816	118,635	(49,819)
Substitute a 7344 Carpenter for a 1.00 FTE 7336 Electronic Instrumentation Technician position. This substitution was inadvertently omitted from the Mayor's proposed FY 2005-06 budget.								
Reduce the vacant 1.00 FTE 7344 Carpenter position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005.								

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396	001	Plumber	7347 AS	1.00	0.75	80,037	60,028	20,009
Reduce a vacant 1.00 FTE 7347 Plumber position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.								
396	001	Senior Stationery Engineer, Sewage Treatment Plant	7373 A	41.00	40.75	3,181,211	3,161,813	19,398
Reduce a vacant 1.00 FTE 7373 Senior Stationery Engineer, Sewage Treatment Plant position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.								
326	005	Temp Salaries - Misc.				322,193	204,189	118,004
326	011	Overtime				681,579	431,970	249,609
Reduce the Water Pollution Control Program's temporary salaries and overtime budgets by \$367,613 due to the decreased need for temporary salaries and overtime resulting from:								
(a) Establishing 4.50 FTE <u>new</u> 7372 Stationery Engineer, Sewage Plant positions (6.00 FTE on an annualized basis) at a FY 2005-06 cost of \$309,421. These new positions, for which the Budget Analyst has recommended approval, are in addition to the 120.50 FTE 7372 Stationery Engineer, Sewage Plant positions already in the Wastewater Enterprise.								
(b) Establishing a <u>new</u> 0.75 FTE 7373 Senior Stationery Engineer, Sewage Plant position (1.00 FTE on an annualized basis) at a FY 2005-06 cost of \$58,192. This new position, for which the Budget Analyst has recommended approval, is in addition to the 42.00 FTE Senior Stationery Engineer, Sewage Plant positions already in the Wastewater Enterprise.								
326	013	Mandatory Fringe Benefits						196,620
Corresponds to reductions in (a) Permanent Salaries - Misc., (b) Temp Salaries - Misc., and (c) Overtime.								

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
327	027	Professional & Specialized Services			2,017,678	1,827,011		190,667
Reduce the W.R. Engineering consultant contract by \$11,667, from \$20,000 to \$8,333.								
Disapprove the following outside consultant contracts:								
(a) Human resources management consultant (\$20,000): Human resources services to respond to workplace conflict incidents can be provided by the Department's Human Resources Services Division.								
(b) Performance improvement audits (\$20,000): Performance audits are required if there are workplace incidents at the water treatment plants. Such audits can be performed by in-house managers. There were no expenditures on such performance improvement audits in FY 2004-05.								
(c) Emergency Operations Plan training (\$40,000): The Department has not provided sufficient justification								
(d) Emergency Operations Plan updating (\$50,000): The Department has not provided sufficient justification.								
(e) Security assessment of wastewater facilities (\$49,000): The Department has not provided sufficient justification.								
327	032	Utilities			710,346	565,346		145,000
Based on prior expenditures, reduce Subobject 029 by \$145,000.								
328	060	Equipment Purchase			1,440,043	1,383,335		*

* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.

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4	060 Automotive & Other Vehicles	06029			1,116,085	1,071,140	44,945
Reduce to reflect actual vendor quotes for robotic television camera truck (WP103N, reduce by \$5,935), utility truck (WP341R, reduce by \$6,311), and truck (WP343R, reduce by \$481), for a total reduction of \$12,727.							
In FY 2004-05, the Water Pollution Control Program will have an uncommitted balance of \$46,603 or 2.92 percent of its total equipment purchase budget. Based on prior expenditures, reduce the balance of Subobject 06029 by \$32,218.							
4	060 Data Processing Equipment	06061			10,168	9,396	772
Reduce by \$489 to reflect actual vendor quote for the Network Attached Video Storage Server (WP345N).							
Based on FY 2004-05 expenditures, reduce the balance of Subobject 06061 by \$283.							
4	060 Other Equipment	06099			313,790	302,799	10,991
Reduce to reflect actual vendor quotes for automated cyanide analyzer system (UC006N, reduce by \$888), gerstel stir bar sportive extractor (UC007N, reduce by \$729), and television camera (WP104N, reduce by \$266), for a total reduction of \$1,883.							
Based on FY 2004-05 expenditures, reduce the balance of Subobject 06099 by \$9,108.							

30 LHP Admin & Streetlight Maintenance - 5T AAA AAA Hatchy Operating-Non-Proj-Controlled Fund

3	001 Permanent Salaries - Misc.	261,837	255,631	*
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* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
398	001	Electrical Engineering Assistant	5352 AS	0.00	1.00	0	57,304	(57,304)
398	001	Electrical Engineering Associate	5354 AS	1.00	0.00	63,510	0	63,510
The Department has provided insufficient justification for the substitution of a 1.00 FTE 5354 Electrical Engineering Associate position for a filled 1.00 FTE 5352 Electrical Engineering Assistant position given that the position has no direct management responsibilities and there are two 5241 Engineer positions and one 5366 Engineering Associate II position to provide mentoring to incoming 5352 Electrical Engineering Assistants.								
333	013	Mandatory Fringe Benefits						1,837

Corresponds to reductions in Permanent Salaries - Misc.

BC3 Natural Resources - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

334	001	Permanent Salaries - Misc.				3,573,815	3,510,759	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.								
399	001	Pest Control Specialist	3424 AR	1.00	0.00	63,056	0	63,056
Eliminate a 1.00 FTE 3424 Pest Control Specialist position which has been vacant since January 28, 2004.								
334	013	Mandatory Fringe Benefits						18,665

Corresponds to reductions in Permanent Salaries - Misc.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
BC4 Water Resources - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund							
36	001	Permanent Salaries - Misc.			1,486,527	1,403,871	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
01	001	Regulatory Specialist	5620 AR	1.00	0.00	82,656	0
Eliminate a 1.00 FTE 5620 Regulatory Specialist position which has been vacant since July 1, 2003. Further, as noted below, when the Budget Analyst inquired about Program BC4 Water Resources' proposed \$271,000 expenditure on professional and specialized services, including environmental regulatory consulting services, Department representatives responded that they were "unable to determine the genesis of this line item."							
36	013	Mandatory Fringe Benefits					24,466
Corresponds to reductions in Permanent Salaries - Misc.							
36	027	Professional & Specialized Services			271,000	0	271,000
Eliminate Subobject 027. When asked for budgetary justification, the Department representatives responded that they were "unable to determine the genesis of this line item."							

CB Power & Water Supply Operations - 5T AAA AAA Hetchy Operating-Non-Proj-Controlled Fund

38	001	Permanent Salaries - Misc.			15,645,573	15,055,438	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
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Page No.	Object		Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
402	001	Manager IV	0932 AS	1.00	0.75	115,729	86,797	28,932
403	001	Associate Engineer	5207 AS	0.00	0.75	0	66,368	(66,368)
404	001	Maintenance and Repair Assistant Superintendent, Hetch Hetchy	7102 AS	1.00	0.00	107,564	0	107,564

The Department is restructuring its Hetch Hetchy Water and Power Operations, in part to address issues identified in the Budget Analyst's *Phase II Management Audit of the Public Utilities Commission - Hetch Hetchy Enterprise Fund*. As part of that reorganization, the Department originally proposed to substitute a 1.00 FTE 0932 Manager IV position (\$115,729 plus mandatory fringe benefits) for a vacant 1.00 FTE 5207 Associate Engineer position (\$88,490, plus mandatory fringe benefits) to create a new Manager, Facilities and System Maintenance Operations. This proposed substitution represented an annual increased salary expenditure of \$27,239.

In response to the Budget Analyst's concerns about this increased salary expenditure, the Department responded by replacing the original proposal with a substitution of the 1.00 FTE 0932 Manager IV position for an existing 1.00 FTE 7102 Maintenance and Repair Assistant Superintendent, Hetch Hetchy position (\$107,564 plus mandatory fringe benefits). This represents a significantly smaller annual increased salary expenditure of \$8,165 which is warranted by the goals of the Hetch Hetchy Water and Power Operations restructuring.

Reduce the vacant 1.00 FTE 0932 Manager IV and 1.00 FTE 5207 Associate Engineer positions to 0.75 FTE each to reflect their estimated hiring dates of October 1, 2005.

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age o.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>	
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
02	001	Administrator II	1022 AS	0.00	1.00	0	68,336	(68,336)
02	001	Business Analyst	1052 AS	1.00	0.00	75,336	0	75,336

The Department has provided insufficient justification for substituting a 1.00 FTE 1052 Business Analyst position for the current filled 1.00 FTE 1022 Administrator II position because:

- (a) The Department's 77.17 FTE Information Technology Services Division should be able to reprioritize its workload to provide any additional information technology services required by the Hatch Hatchy Project.
- (b) There is no legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

42	001	Account Clerk	1630 AS	0.00	1.00	0	45,584	(45,584)
42	001	Senior Account Clerk	1632 AS	1.00	0.00	52,770	0	52,770

The Department has provided insufficient justification for substituting a 1.00 FTE 1632 Senior Account Clerk position for the current filled 1.00 FTE 1630 Account Clerk position because:

- (a) The Department's 53.55 FTE Finance Services Division should have the capacity to provide any additional finance services required by the Hatch Hatchy Project.
- (b) There is no legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

43	001	Storekeeper	1934 A	1.00	0.00	46,459	0	46,459
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Eliminate a 1.00 FTE 1934 Storekeeper position vacant since May 10, 2004.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
403	001	General Manager, Hetchy Hetchy	5185 AS	1.00	0.00	142,472	0 142,472
403	001	Manager VII	0942 AS	0.00	0.92	0	126,609 (126,609)
<p>Substitute a 0942 Manager VII position (Manager, Hetchy Hetchy Water and Power) for the existing 1.00 FTE 5185 General Manager, Hetchy Hetchy position (which has been vacant since April 13, 2002). An announcement was issued for this 0942 Manager VII position in April of 2005 at the salary level of \$102,674 - \$137,618 which at the proposed top step is \$5,502 lower than the maximum salary allowable for that classification (\$143,120 plus mandatory fringe benefits). A candidate pool is now in place.</p> <p>Reduce the vacant 1.00 FTE 0942 Manager VII position to 0.92 FTE of the maximum salary advertized (\$137,618) to reflect the estimated hiring date of August 1, 2005. This is a savings of \$11,009.</p>							
404	001	Regulatory Specialist	5620 AS	1.00	0.75	82,656	61,992 20,664
<p>Reduce the vacant 1.00 FTE 5620 Regulatory Specialist position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005.</p>							
404	001	Watershed Keeper Supervisor	7270 A	1.00	0.00	61,680	0 61,680
<p>Eliminate a 1.00 FTE 7270 Watershed Keeper Supervisor position vacant since March 1, 2004.</p>							
404	001	Electronic Maintenance Technician	7318 A	11.00	10.00	924,377	840,343 84,034
<p>Eliminate a 1.00 FTE 7318 Electronic Maintenance Technician position vacant since June 30, 2004.</p>							

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age 0.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
5	001 General Utility Mechanic	7325 A	13.00	12.00	851,643	786,132		65,511
Eliminate a 1.00 FTE 7325 General Utility Mechanic position vacant since February 16, 2004.								
5	001 Electrical Line Worker	7338 A	9.00	8.00	659,651	586,356		73,295
Eliminate a 1.00 FTE 7338 Electrical Line Worker position vacant since October 11, 2003.								
5	001 Electrical Line Helper	7432 A	4.00	3.00	249,690	187,268		62,422
Eliminate a 1.00 FTE 7432 Electrical Line Helper position vacant since June 5, 2004.								
5	001 Senior Power Generation Technician	7484 A	6.00	5.00	455,360	379,467		75,893
Eliminate a 1.00 FTE 7484 Senior Power Generation Technician position vacant since July 1, 2002.								
5	013 Mandatory Fringe Benefits							174,680
Corresponds to reductions in Permanent Salaries - Misc.								

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			From	To	From	To	
338	027 Professional & Specialized Services				3,577,656	2,818,583	759,073
Reduce the following outside consultant contracts to reflect projected current year (FY 2004-05) expenditures:							
(a) Various contracts for legal services: reduce by \$550,643, from \$718,000 to \$167,357.							
(b) ECCO for technical support on industry matters: reduce by \$113,430, from \$180,000 to \$66,570.							
(c) AEPC Group/Rocky Mountain Institute for review of the Electricity Resource Plan and the Energy Resource Investment Strategy: reduce by \$5,000, from \$15,000 to \$10,000.							
(d) EMCOR for the Generation Solar Project, Phase IV: reduce by \$66,000, from \$90,000 to \$24,000.							
(e) Optimal Technologies for the Electricity Resource Plan and the Energy Resource Investment Strategy: reduce by \$20,000, from \$80,000 to \$60,000.							
(f) Hydroelectric power system evaluation contract: reduce by \$4,000, from \$32,000 to \$28,000.							
339	060 Equipment Purchase				266,987	255,293	*
* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.							
445	060 Automotive & Other Vehicles	06029			205,552	196,549	9,003
In FY 2004-05, the Power and Water Supply Operations Program will have an uncommitted balance of \$70,138 or 4.38 percent of its total equipment purchase budget. Based on prior expenditures, reduce Subobject 06029 by \$9,003.							
445	060 Other Equipment	06099			61,435	58,744	2,691
Based on prior expenditures, reduce Subobject 06099 by \$2,691.							

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
CD Water Quality - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund								
2	001	Permanent Salaries - Misc.			6,264,261	5,829,569		*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.								
7	001	Water Quality Technician I/II	2481 A	17.00 15.00	1,063,886	938,723	125,163	
Eliminate 2.00 FTE 2481 Water Quality Technician I/II positions which have been vacant since December 27, 1999 and January 29, 2004 respectively.								
48	001	Associate Engineer	5207 A	6.00 5.00	355,680	296,400	59,280	
Eliminate a 1.00 FTE 5207 Associate Engineer position which has been vacant since February 3, 2003.								
48	001	Associate Engineer	5207 AN	0.75 0.00	66,367	0	66,367	
Eliminate the new 0.75 FTE 5207 Associate Engineer position (1.00 FTE on an annualized basis) because:								
9	(a) The Water Enterprise already has 14.50 FTE 5207 Associate Engineer positions, of which 10.50 FTE positions are vacant. One has been vacant since May 13, 2002.							
	(b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.							

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
408	001	Associate Engineer	5207	ON	0.75	0.00	65,322
Eliminate a new 0.75 FTE 5207 Associate Engineer position (1.00 FTE on an annualized basis) because:							
(a) The Water Enterprise already has 14.50 FTE 5207 Associate Engineer positions, of which 10.50 FTE positions are vacant. One has been vacant since May 13, 2002.							
(b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.							
408	001	Senior Engineer	5211	O	3.00	2.00	355,680
Eliminate a 1.00 FTE 5211 Senior Engineer position which has been vacant since July 1, 2003.							
342	013	Mandatory Fringe Benefits					128,669
Corresponds to reductions in Permanent Salaries - Misc.							
342	027	Professional & Specialized Services				1,350,835	1,331,985
To reflect estimated FY 2004-05 expenditures, reduce the proposed programming support contract with CIBER (\$50,000) by \$3,000, and the proposed consultant contract with Susan McCormick (\$30,000) by 15,850.							
343	060	Equipment Purchase			647,249	575,262	*
* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.							

* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.

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age o.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
46	060	Automotive & Other Vehicles	06029		27,859	0	27,859

The Department has withdrawn its request for a new sedan (UC010N, \$27,859).

46	060	Other Equipment	06099		619,390	575,262	44,128
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Reduce to reflect actual vendor quotes for Chemtrac steaming current monitor (UC001N, reduce by \$300), ultracentrifugation system (UC011N, reduce by \$988), and automated nucleic acid extraction system (UC030N, reduce by \$1,397), for a total reduction of \$2,685.

In FY 2004-05, Program BCD Water Quality will have an uncommitted balance of \$47,037 or 6.72 percent of its total equipment purchase budget. Based on prior expenditures, reduce the balance of Subobject 06099 by \$41,443.

EEF Water (In-city) Distribution - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

35	001	Permanent Salaries - Misc.		14,244,302	13,742,991	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
43	001	Associate Engineer	5207 O	4.00	3.00	348,383
Eliminate a 1.00 FTE 5207 Associate Engineer position which has been vacant since May 13, 2002.						
4	001	Principal Engineer	5212 O	1.00	0.00	132,849
Eliminate a 1.00 FTE 5212 Principal Engineer position which has been vacant since July 1, 2003.						

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				From	To	From	To	
413	001	Construction Inspector	6318 A	2.00	1.00	158,204	79,102	79,102
Eliminate a 1.00 FTE 6318 Construction Inspector position which has been vacant since August 2, 2003.								
413	001	General Laborer Supervisor I	7215 AS	1.00	0.75	55,512	41,634	13,878
Reduce a vacant 1.00 FTE 7215 General Laborer Supervisor I position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.								
414	001	Automotive Machinist	7313 AS	1.00	0.75	62,092	46,569	15,523
Reduce a vacant 1.00 FTE 7313 Automotive Machinist position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.								
414	001	Stationery Engineer, Water Treatment Plant	7341 AS	2.00	1.50	137,521	103,141	34,380
Reduce a vacant 2.00 FTE 7341 Stationery Engineer, Water Treatment Plant positions to 1.50 FTE to reflect their estimated hiring date of October 1, 2005.								
414	001	Senior Stationary Engineer, Water Treatment Plant	7343 A	2.00	1.00	155,181	77,591	77,590
Eliminate a 1.00 FTE 7343 Senior Stationary Engineer, Water Treatment Plant position which has been vacant since July 1, 2003.								

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15	001 Water Meter Repairer	7353 A	7.00	6.00	426,252	365,359	60,893
Eliminate a 1.00 FTE 7353 Water Meter Repairer position which has been vacant since October 27, 2003.							
46	013 Mandatory Fringe Benefits						148,388
Corresponds to reductions in Permanent Salaries - Misc.							
17	060 Equipment Purchase				1,086,507	1,028,920	*
* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.							
8	060 Automotive & Other Vehicles	06029			632,578	589,964	42,614
The Department has withdrawn its request for a new sedan (UWS01N, \$27,859).							
In FY 2004-05, the Water (In-city) Distribution Program will have an uncommitted balance of \$42,939 or 2.44 percent of its total equipment purchase budget. Based on prior expenditures, reduce the balance of Subobject 06029 by \$14,755.							
48	060 Other Equipment	06099			453,929	438,956	14,973
Reduce by \$3,995 to reflect actual vendor quote for video surveillance equipment (UW349N).							
Based on prior expenditures, reduce the balance of Subobject 06099 by \$10,978.							

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347	081	Services of Other Departments			6,265,426	6,065,426	200,000

Eliminate work order 081RP GF-Rec & Park-Gardener (\$200,000) which was added by the Mayor's Office. The Department was unable to explain the need for this work order.

BCG Water Supply & Treatment - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

348	001	Permanent Salaries - Misc.			15,838,321	15,536,592	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
417	001	Senior Administrative Analyst	1823 AS	0.00	1.00	0	78,731
417	001	Principal Administrative Analyst	1824 AS	1.00	0.00	92,016	0

The Department has provided insufficient justification for substituting a 1.00 FTE 1824 Principal Administrative Analyst position for a filled 1.00 FTE 1823 Senior Administrative Analyst position in terms of legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors. Further, a job analysis questionnaire is currently underway to determine if the job classification for this position needs to change.

418	001	Principal Engineer	5212 O	1.00	0.00	132,849	0	132,849
Eliminate a 1.00 FTE 5212 Principal Engineer position which has been vacant since July 1, 2003.								

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
9	001 Utility Plumber Supervisor I	7250 O	1.00	0.00	86,835		0	86,835
		Eliminate a 1.00 FTE 7250 Utility Plumber Supervisor I position which has been vacant since July 1, 2003.						
0	001 Stationary Engineer, Water Treatment Plant	7341 A	32.00	31.00	2,200,325	2,131,565		68,760
		Eliminate a 1.00 FTE 7341 Stationary Engineer, Water Treatment Plant position which has been vacant since July 1, 2003.						
38	013 Mandatory Fringe Benefits							89,312
		Corresponds to reductions in Permanent Salaries - Misc.						
38	027 Professional & Specialized Services				505,740	135,740		370,000
		Reduce the outside consultant contract for development of a Code of Safe Practices by \$85,000, from \$150,000 to \$65,000, based on the projected hours required.						
		Disapprove the \$285,000 outside consultant contract for GIS implementation, aerial photogrammetry and interpretation, data analysis, digitization, and other technical expertise due to lack of sufficient budget justification.						

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
348	029	Maintenance Services - Equipment			414,516		313,967	100,549
Reduce the FY 2005-06 Transdyn maintenance contract for the SCADA system due to filling, after October 1, 2005, the vacant 1043 Engineer - Senior position in the Information Services Section's SCADA Technical Support Team. The Transdyn contract should be reduced by \$77,584 for that position's salary, plus \$22,965 for that position's mandatory fringe benefits, for a total reduction of \$100,549.								
349	060	Equipment Purchase			1,068,123		568,450	*
* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.								
448	060	Automotive & Other Vehicles	06029		870,283		427,395	442,888
Reduce to reflect actual vendor quotes for mower (UW600R, reduce by \$2,625), tractor (UW601N, \$13,507), dump truck (UW602R, reduce by \$11,700), flatbed trailer (UW603N, reduce by \$1,237), and two electrician's vans (UW607R, reduce by \$2,966), for a total reduction of \$32,035.								
Disapprove the lowboy trailer (UW110R, \$90,000) due to lack of a vendor quote.								
Disapprove the unjustified F150 pick-up (UW605R, \$79,800), F-250 painters truck (UW606R, \$30,808), and electrician's van (one of the three vans under UW607R, \$27,200).								
The Department has withdrawn its requests for three new sedans (UW113N, \$23,600; UW622N, \$23,600; UW626N, \$23,600).								
In FY 2004-05, the Water Supply and Treatment Program will have an uncommitted balance of \$874,458 or 20.8 percent of its total equipment purchase budget. Based on prior expenditures, reduce the balance of Subobject 06029 by \$112,245.								

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			From	To	From	To	
-8	060 Other Equipment	06099			197,840	141,055	56,785

Reduce to reflect actual vendor quotes for a trencher and trailer (UW612R, reduce by \$1,610), and a total station (UW614R, reduce by \$18,130), for a total reduction of \$19,740.

Based on prior expenditures, reduce the balance of Subobject 06099 by \$37,045.

PCH Operations Administration - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

30	001 Permanent Salaries - Misc.				759,948	649,666	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
42	001 Manager III	0931 AS	0.00	0.75	0	80,693	(80,693)
42	001 Manager IV	0932 AS	1.00	0.00	115,729	0	115.729

The Department has provided insufficient justification for substituting a 1.00 FTE 0932 Manager IV position for a vacant 1.00 FTE 0931 Manager III position, at an increased salary cost of \$8,138 for a full year, to be the Department's new Security Manager position, in terms of legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

The Department's security function is currently performed by a 1.00 FTE 8247 Emergency Planning Coordinator at a maximum annual salary of \$69,426 plus mandatory fringe benefits. The Department is proposing that this position would become a direct report to the new Security Manager. This would still be possible if the new Security Manager was a 0931 Manager III position, rather than a 0932 Manager IV position, because job classification 0931 earns more than job classification 8247.

Reduce the vacant 1.00 FTE 0931 Manager III position to 0.75 FTE to reflect its estimated hiring date of October 1, 2005.

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			From	To	From	To			
422	001	Safety Officer	5177	ON	0.75	0.00	75,246	0	75,246
Eliminate a new 0.75 FTE 5177 Safety Officer position (1.00 FTE on an annualized basis) because:									
<ul style="list-style-type: none"> (a) There is already a Department-wide Health and Safety Program, currently staffed by 11 positions (including a 5177 Safety Officer), which is receiving a further 0.75 FTE 1232 Training Officer position (1.00 FTE on an annualized basis) in the FY 2005-06 budget. (b) The Water Enterprise already has a 1.00 FTE 6318 Construction Inspector position working full-time on construction safety and workplace health and safety issues. (c) The Infrastructure Division has 24.00 FTE 6318 Construction Inspector positions assigned to it. (d) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget. 									
350	013	Mandatory Fringe Benefits						32,643	
Corresponds to reductions in Permanent Salaries - Misc.									
350	024	Membership Fees			271,293		264,839	6,454	
Delete membership fees for the American Water Works Association (\$2,902), the Association of California Water Agencies (\$2,000), the California Utilities Emergency Association (\$802), and the National Safety Council (\$750).									
The General Manager's Office advises that these memberships are "not required" due to the Department's corporate memberships.									
350	027	Professional & Specialized Services			300,000		50,000	250,000	
Eliminate an unjustified contract for emergency response services (\$250,000). Department representatives advised that they were "unable to determine who requested this line item."									

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20	030 Rents & Leases - Buildings & Structures				280,794	260,640	20,154
<p>The Department is planning to lease additional office space at 1145 Market Street for new Water Enterprise employees. This is budgeted at 4,837 square feet at \$25 per square foot per year, for a total of \$120,925. However, the space will not become available until August of 2005. Therefore, the Department only requires funding for 10 months in the amount of \$100,771, a reduction of \$20,154.</p>							
<p>ER PUC General Management - 5W PUC OPF PUC Operating Fund</p>							
33	001 Permanent Salaries - Misc.				1,127,213	1,102,215	*
<p>* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.</p>							
44	001 Manager II	0923 AS	1.00	0.75	99,993	74,995	24,998
<p>Reduce a vacant 1.00 FTE 0923 Manager II position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005.</p>							
33	013 Mandatory Fringe Benefits						7,399
<p>Corresponds to reductions in Permanent Salaries - Misc.</p>							
30	024 Membership Fees				33,755	32,800	955
<p>Delete \$415 in California Utilities Emergency Association and \$540 in National Safety Council membership fees. The Department advises that these are over-budgeted.</p>							

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
379	027	Professional & Specialized Services			450,000	150,000		300,000

Eliminate the amount of \$300,000 for which the Department did not provide any budget justification.

BCS Information Technology - 5W PUC OPF PUC Operating Fund

380	001	Permanent Salaries - Misc.			6,955,701	6,720,145	*	
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.								
426	001	Operator - Senior	1003 AS	0.00	1.00	0	54,865	(54,865)
426	001	Administrator I	1021 AS	1.00	0.00	56,217	0	56,217
The current 1.00 FTE 1003 Operator - Senior position has been downward substituted to a filled 1.00 FTE 1011 IS Technician Assistant with an annual salary cost of \$41,760. Reinstating that position to its original 1.00 FTE 1003 Administrator I classification would represent an annual salary cost increase of \$13,105. However, the Department proposes to further increase this position to the 1021 Administrator I job classification to provide a promotional opportunity for experienced staff. The Department has not provided justification for a further increase to the 1021 Administrator I job classification (an annual salary cost increase of \$14,457 over a 1011 IS Technician Assistant salary) in terms of legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.								
426	001	Engineer - Journey	1042 A	3.00	2.00	280,105	186,737	93,368
Eliminate a 1.00 FTE 1042 Engineer - Journey position vacant since December 8, 2003.								

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

partment: PUC - Public Utilities Commission

ge	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>	
			From	To	From	To		
5	001	Engineer - Senior	1043 AT	1.00	0.75	103,445	77,584	25,861
Reduce a vacant 1.00 FTE 1043 Engineer - Senior position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005. Since filling this position will enhance the work of the in-house SCADA Technical Support Team, the FY 2005-06 Transdyn contract for SCADA technical support should be reduced by a commensurate amount. The Transdyn contract in Program BCG Water Supply and Treatment has therefore been reduced by \$77,584 for this position's salary, plus \$22,965 for this position's mandatory fringe benefits, for a total reduction of \$100,549.								
45	001	Business Analyst - Senior	1053 AS	0.00	0.00	87,216	0	87,216
45	001	Programmer Analyst - Senior	1063 AS	0.00	1.00	0	79,102	(79,102)
The Department has provided insufficient justification for the substitution of a 1.00 FTE 1053 Business Analyst - Senior position for a vacant 1.00 FTE 1063 Programmer Analyst - Senior position in terms of legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.								
45	001	Information Services Manager	1071 A	6.00	5.20	801,454	694,593	106,861
Reduce a 1.00 FTE 1071 Information Services Manager position to 0.20 FTE to reflect the amount that the position is actually filled.								
30	013	Mandatory Fringe Benefits						69,725
Corresponds to reductions in Permanent Salaries - Misc.								

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
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Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
380	027	Professional & Specialized Services			1,256,692	970,000	286,692

Reduce the Subobject 027 budget by \$286,692 for a geographic information system implementation contract which was deleted from Information Technology Services' FY 2005-06 budget request.

BCT Finance - 5W PUC OPF PUC Operating Fund

382	001	Permanent Salaries - Misc.			4,431,804	4,163,485	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
428	001	Manager IV	0932 AN	0.75 0.00	86,797	0	86,797
428	001	Manager III	0931 LN	0.00 0.75	0	77.889	(77,889)

Substitute a new 0.75 FTE 0931 Manager III position (1.00 FTE on an annualized basis) for the Department's requested new 0.75 FTE 0932 Manager IV position (1.00 FTE on an annualized basis). The Department has requested the 0932 Manager IV position to be responsible for seven new positions dedicated to the Department's new Asset Management Program:

- (a) One 1054 Business Analyst - Principal position: this position should be eliminated for the reasons outlined below.
- (b) One 5241 Engineer position: this position should be eliminated for the reasons outlined below.
- (c) Two 7263 Maintenance Manager, SFUSD positions: one of these positions should be eliminated for the reasons outlined below, and one of these positions should be approved.
- (d) One 7262 Maintenance Planner position: this position should be approved.
- (e) Two 1426 Senior Clerk Typist positions: one of these positions should be eliminated for the reasons outlined below, and one of these positions should be approved.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

<u>Page</u>	<u>Object</u>	Position/ Equipment Number	<u>Number</u>	<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>		

If the Budget Analyst's recommendations are approved, then the managerial responsibility would reduce from seven positions to three positions (one 7263 Maintenance Manager, SFUSD, one 7262 Maintenance Planner, and one 1426 Senior Clerk Typist). Managerial responsibility for three positions does not warrant a 0932 Manager IV classification costing up to \$144,774 per year, inclusive of mandatory fringe benefits. A 0931 Manager III classification, costing up to \$134,592 per year, inclusive of mandatory fringe benefits, would be sufficiently senior to implement the new Asset Management Program incrementally. Incremental growth in the Asset Management Program is a responsible approach given the Department's ongoing difficulty in hiring new staff in a timely fashion. Further, during a discussion at the Public Utilities Commission's January 27, 2005 budget hearing, a Bay Area Water Supply and Conservation Agency (BAWSACA) representative advised the Commission that other utilities' experiences and literature on the subject suggest that asset management programs' success may be better achieved through incremental implementation.

The new Manager III position should be limited tenure reflecting the multi-phase nature of a program which requires central oversight initially during the implementation phase, but which should be integrated into the daily work of the enterprises in the medium to long term.

The Asset Management Program's total personnel costs, inclusive of mandatory fringe benefits, would reduce from \$868,169 (including the 0932 Manager IV position) to \$419,100 (including a 0931 Manager III position), for a total reduction of \$449,069 in personnel costs.

In addition, the Department has budgeted \$500,000 in consultant support for the first year of the Asset Management Program in FY 2005-06: (a) \$300,000 for the assessment and valuation of the Department's assets, and (b) \$200,000 for the development and implementation of a comprehensive asset management program.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
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				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
428	001	Business Analyst - Principal	1054 AN	0.75	0.00	75,714		0	75,714

Eliminate a new 0.75 FTE 1054 Business Analyst - Principal position (1.00 FTE on an annualized basis) because:

- (a) The Department's Information Technology Services, which has 77.17 FTE positions, should be able to provide the level of technical support required by the Asset Management Program, reprioritizing less important work as necessary.
- (b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.

428	001	Senior Clerk Typist	1426 AN	1.50	0.75	72,671		36,336	36,335
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Eliminate a new 0.75 FTE 1426 Senior Clerk Typist position (1.00 FTE on an annualized basis) because:

- (a) The Asset Management Program's overall clerical support needs will not be known in the first year of this new program. One 1426 Senior Clerk Typist would be sufficient in the initial year of the program, with support during peak workload periods from the Department bureaus' other 55.25 FTE budgeted clerical and secretarial support positions.
- (b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.

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Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
48	001 Engineer	5241 AN	0.75	0.00	76,809	0	76,809	
Eliminate a new 0.75 FTE 5241 Engineer position (1.00 FTE on an annualized basis) because:								
<ul style="list-style-type: none"> (a) This position's responsibility for performing infrastructure condition assessments and developing replacement, renewal, and maintenance plans for the Wastewater Enterprise should be integrated into the work of the Wastewater Enterprise's existing 43.00 FTE engineers. Further, of the 9.00 FTE 5241 Engineer positions in the Wastewater Enterprise, 3.04 FTE are currently vacant. One of these positions has been vacant since August 8, 2003. If engineer positions are a priority, the Wastewater Enterprise should instead keep positions in other classifications vacant to achieve its salary savings goals. (b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget. 								
49	001 Maintenance Manager, SFUSD	7263 AN	1.50	0.75	141,106	70,553	70,553	
Eliminate a new 0.75 FTE 7263 Maintenance Manager, SFUSD position (1.00 FTE on an annualized basis) because:								
<ul style="list-style-type: none"> (a) The Asset Management Program's overall maintenance manager needs related to the water system between Hetch Hetchy and the City boundary will not be known in the first year of this new program. One 7263 Maintenance Manager, SFUSD would be sufficient in the initial year of the program, with support from the new 7262 Maintenance Planner position recommended for approval. (b) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget. 								
50	013 Mandatory Fringe Benefits							79,422
Corresponds to reductions in Permanent Salaries - Misc.								

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
382	024	Membership Fees			4,986	3,971	1,015

Delete a \$200 membership with the National Safety Council. The General Manager's Office advises that this is "not required" due to the Department's corporate membership.

Delete a \$190 membership with the American Society of Safety Engineers, \$100 in memberships with the American Water Works Association, and \$525 in memberships with the Risk and Insurance Management Society. The Department advises that these memberships are redundant or over budgeted.

BCU Engineering and Construction - 5W PUC OFP PUC Operating Fund

384	024	Membership Fees		30,590	26,090	4,500
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Delete \$4,200 in memberships with the American Water Works Association and a \$300 membership with the National Safety Council. The Department advises that these memberships are redundant or over-budgeted.

384	027	Professional & Specialized Services		1,503,761	1,453,761	50,000
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Eliminate the unjustified contract with Elite Services (\$50,000) for reprographic services which are currently provided by the City's reproduction department and the Airport's reprographics department.

385	060	Equipment Purchase		312,268	61,194	*
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* The recommended reduction in Equipment Purchase is the total of the following specific recommendation regarding individual items.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
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2005-2006**

Department: PUC - Public Utilities Commission

B&U Engineering and Construction - 5W PUC PSF PUC-UEB Personnel Fund

001 Permanent Salaries - Misc. 26,919,049 26,045,470

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>		Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
430	001	Manager V	0933 AN	4.50	0.00	560,571	0	560,571

Eliminate new 4.50 FTE 0933 Manager V positions (6.00 FTEs on an annualized basis) because:

- (a) Managing the interface between water system operations and Water Supply Improvement Program projects should be top priority for existing water supply system managers and Water Supply Improvement Program project managers.
- (b) There is already a 1.00 FTE 5212 Principal Engineer position responsible for managing the interface between the Water Supply and Treatment Division and the Water Supply Improvement Program projects.
- (c) The City Distribution Division is already managing its interface with the Water Supply Improvement Program over the in-City projects currently underway.
- (d) The Board of Supervisors' policy priorities for FY 2005-06 state that departments should "not add management positions to the budget without adding a new program or significantly expanding a program." The Water Supply Improvement Program is not a new program and its expansion is incremental, as evidenced by (a) the large number of Infrastructure Division positions which remain vacant, and (b) the proposed FY 2005-06 capital improvement budget of \$154 million (out of a total Water System Improvement Program budget of \$4.3 billion).
- (e) These position are not legally mandated or revenue-producing, and do not produce quantified savings elsewhere in the Department's budget.

430	001	Manager VI	0941 A	2.00	1.08	267,908	144,670	123,238
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Per a pending recommendation to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, eliminate the filled 1.00 FTE 0941 Manager VI, Organizational Development by September 31, 2005 because:

- (a) A number of that position's activities duplicate functions which should be performed by the Department's existing business services. For example, personnel data collection, personnel hiring, performance management systems, premium pay systems, staff development and training, and managing the interface with the labor unions are all appropriate functions for the Human Resources Services Section.
- (b) Workload and staffing planning is a core function of the Assistant General Manager, Infrastructure and his bureau managers, and should not be delegated to a separate staff member.

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- (c) The proposed five year, \$45 million Program, Project and Pre-construction Management Services Contract with Parsons Infrastructure, Inc. requires the selected contractor to provide "Staff Development and Technology Transfer Specialists" to report directly to the Assistant General Manager, Infrastructure and the Director of Human Resources. That specialist's responsibilities directly mirror the functions of the existing Manager VI, Organizational Development position. By including "Staff Development and Technology Transfer Specialists" in the proposed Program, Project and Pre-construction Management Services Contract, the Department has taken the position that this function is limited to the lifespan of the Water System Capital Improvement Program and, therefore, can appropriately be performed by contractors. The Department provides no justification for why this time-limited function needs to be performed by both a high-level City manager and experienced contractors.
- (e) Participation in the Public Art Program Steering Committee and the inter-departmental Engineering Resources Group does not need to occur at the Manager VI level.

The current incumbent is work ordered from the Department of Public Works and could return to that department by August 1, 2005. Eliminating this position would not result in a layoff.

The elimination of this position would reduce the Infrastructure Division's overhead costs and avoid funding both City staff and contractors to provide the same services.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
430	001	Manager VI	0941 A	2.00	1.25	267,908	167,443	100,465
430	001	Manager VII	0942 A	1.00	0.75	143,120	107,340	35,780

Per a pending recommendation to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, once the currently vacant 0942 Manager VII position in the Engineering Design Bureau is filled, eliminate the filled 0941 Manager VI position. There is no justification for two such senior positions, at a cumulative salary and mandatory fringe benefit cost of up to \$332,970, to manage four professional staff reports.

Reduce the 1.00 FTE 0942 Manager VII position to 0.75 to reflect the estimated hiring date of October 1, 2005.

These proposed position modifications would reduce the Infrastructure Division's overhead costs.

430	001	Executive Secretary I	1450 A	6.00	5.08	349,076	295,551	53,525
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Per a pending recommendation to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, eliminate a 1450 Executive Secretary I position.

Two clerical positions support the five non-clerical positions in the Office of the Assistant General Manager, Infrastructure. With the recommended elimination of two 1941 Manager VI positions (the Manager VI, Organizational Development, described above, and the Manager VI, Workforce Development, described in the "Policy Recommendations" section below) and the recommended transfer of a 5408 Coordinator, Community Outreach position to the Communications and Public Outreach Division, there would no longer be a need for two clerical positions to support the remaining two non-clerical positions (the Assistant General Manager, Infrastructure and his Chief Assistant). Therefore, the 1450 Executive Secretary I position should be eliminated.

The current incumbent is work ordered from the Department of Public Works and could return to that department by August 1, 2005. Eliminating this position would not result in a layoff.

Elimination of this position would reduce the Infrastructure Division's overhead costs.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
	013	Mandatory Fringe Benefits					258,579

Corresponds to reductions in Permanent Salaries - Misc.

B'V System Planning / Regulatory Control - 5W PUC OPF PUC Operating Fund

35	001	Permanent Salaries - Misc.			1,806,163	1,508,399	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
45	001	CIP Outreach Coordinator	AC45 OS	0.00	1.00	0	64,519
47	001	Coordinator of Citizen Involvement	5408 AS	1.00	0.00	88,038	0

The Department has provided insufficient justification for the substitution of a 1.00 FTE 5408 Coordinator of Citizen Involvement position for the current 1.00 FTE AC45 CIP Outreach Coordinator position in terms of:

- (a) The other 6.00 FTE 5408 Coordinator of Citizen Involvement positions already in the Communications and Public Outreach Division, plus 1.00 FTE 5408 Coordinator of Citizen Involvement located in the Infrastructure Division, for a total of 7.00 FTE.
- (b) Funding will be allocated to "Communications Specialists" in the proposed Program, Project, and Pre-construction Management Services contract with Parsons Infrastructure, Inc. who will report to the Director of Communications.
- (c) Legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>			
435	001	Public Information Officer	1312	ON	0.75	0.00	45,081	0	45,081

Eliminate a new 1312 Public Information Officer position (1.00 FTE on an annualized basis) because:

- (a) The Communications and Public Outreach Division already has 24 staff. As the Water Supply Improvement Program, the Wastewater Master Plan, community choice aggregation, and other significant initiatives generate new communications and public outreach work, the Communications and Public Outreach Division should reprioritize its workload among its existing staff resources.
- (b) Funding will be allocated to "Communications Specialists" in the proposed Program, Project, and Pre-construction Management Services contract with Parsons Infrastructure, Inc. who will report to the Director of Communications.
- (c) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.

435	001	Public Relations Officer	1314	ON	0.75	0.00	53,733	0	53,733
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Eliminate a new 1314 Public Relations Officer position (1.00 FTE on an annualized basis) because:

- (a) The Communications and Public Outreach Division already has 24 staff. As the Water Supply Improvement Program, the Wastewater Master Plan, community choice aggregation, and other significant initiatives generate new communications and public outreach work, the Communications and Public Outreach Division should reprioritize its workload among its existing staff resources.
- (b) Funding will be allocated to "Communications Specialists" in the proposed Program, Project, and Pre-construction Management Services contract with Parsons Infrastructure, Inc. who will report to the Director of Communications.
- (c) This position is not legally mandated or revenue-producing, and does not produce quantified savings elsewhere in the Department's budget.

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Page No.	Object	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			From	To	From	To	
45	001	Public Relations Officer	1314 OS	0.00	1.00	0	71,645
47	001	Coordinator of Citizen Involvement	5408 AS	1.00	0.00	88,038	0

The Department has provided insufficient justification for the substitution of a 1.00 FTE 5408 Coordinator of Citizen Involvement position for the current filled 1.00 FTE 1314 Public Relations Officer position because:

- (a) There are 6.00 FTE 5408 Coordinator of Citizen Involvement positions already in the Communications and Public Outreach Division, plus 1.00 FTE 5408 Coordinator of Citizen Involvement located in the Infrastructure Division, for a total of 7.00 FTE.
- (b) Funding will be allocated to "Communications Specialists" in the proposed Program, Project, and Pre-construction Management Services contract with Parsons Infrastructure, Inc. who will report to the Director of Communications.
- (c) There is no legal mandate, revenue production, quantified savings elsewhere in the Department's budget, or critical contribution to the continued operation of existing programs or projects previously approved by the Board of Supervisors.

46	001	Water Operations Analyst	5148 OT	1.00	0.75	93,360	70,020	23,340
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Reduce the vacant 1.00 FTE 5148 Water Operations Analyst position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005.

47	001	Illustrator and Art Designer	5320 AT	1.00	0.75	64,756	48,567	16,189
47	001	Illustrator and Art Designer	5320 AT	1.00	0.75	64,756	48,567	16,189

Reduce these vacant 2.00 FTE 5320 Illustrator and Art Designer positions to 1.50 FTE to reflect their estimated hiring dates of October 1, 2005.

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			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
437	001	Regulatory Specialist	5620 A	1.00	0.00	82,656	0	82,656
Per a pending recommendations to be made in the Budget Analyst's <i>Phase I Management Audit of the Public Utilities Commission - Clean Water Enterprise Fund</i> , eliminate the vacant 5620 Regulatory Specialist, Clean Water Regulatory Compliance position in the Planning Bureau.								
438	001	Regulatory Specialist	5620 AS	1.00	0.75	82,656	61,992	20,664
Reduce the vacant 1.00 FTE 5620 Regulatory Specialist position to 0.75 FTE to reflect the estimated hiring date of October 1, 2005.								
386	013	Mandatory Fringe Benefits						88,138
Corresponds to reductions in Permanent Salaries - Misc.								

BCW Human Resources - 5W PUC OPF PUC Operating Fund

388	001	Permanent Salaries - Misc.	3,981,330	3,744,777	*
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* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

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Job No.	Object	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
40	001	Manager V	0933 AS	1.00	0.00	124,572	0
40	001	Senior Departmental Personnel Officer	1272 AS	0.00	1.00	0	108,321

The Department justifies the substitution of a 1.00 FTE 0933 Manager V position (\$124,572 per year) for the current filled 1.00 FTE 1272 Senior Departmental Personnel Officer position (\$108,321 per year) on the grounds that (a) the role has grown due to the transfer of the Health and Safety Program to Human Resources Services, and (b) "This will prevent the need for supervisory differential for the 1272 position since Health and Safety has been moved to [Human Resources Services]" given that the 1.00 FTE 6141 Manager, Office of Health and Safety position (\$107,239) earns approximately the same as the 1272 Senior Departmental Personnel Officer position.

While the Budget Analyst acknowledges that the role has grown, a 5 percent supervisory differential totaling \$5,416 per year acknowledges the increased responsibility and is much less than the \$16,251 difference between job classifications 1272 and 0933.

Therefore, (a) disapprove the proposed substitution, and (b) increase Premium Pay by \$5,416 (see below).

40	001	Senior Personnel Clerk	1204 A	5.00	4.00	273,530	218,824	54,706
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Per a pending recommendation to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, eliminate a currently vacant 1.00 FTE 1204 Senior Personnel Clerk position in the Employee Relations/Processing Unit. The Payroll Unit has a filled 1.00 FTE 1220 Payroll Clerk position which will not be required in FY 2005-06 and could instead perform the functions of the vacant 1204 Senior Personnel Clerk position because the job functions and pay rate are comparable. The incumbent of the 1220 Payroll Clerk position is cross-trained in personnel processing. Transferring the 1220 Payroll Clerk to the Employee Relations/Processing Unit will eliminate the necessity to delete a filled position resulting in a layoff.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
				<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
440	001	Personnel Analyst	1241 A	7.00	6.00	487,261	417,652		69,609
Eliminate a 1.00 FTE 1241 Personnel Analyst position vacant since March 1, 2004.									
440	001	Senior Personnel Analyst	1244 A	8.00	7.00	651,697	570,235		81,462
Eliminate a 1.00 FTE 1244 Senior Personnel Analyst position vacant since July 1, 2002.									
440	001	Principal Administrative Analyst	1824 A	1.00	0.00	92,016		0	92,016
440	001	Senior Administrative Analyst	1823 AS	0.00	1.00		0	77,491	(77,491)
Substitute an 1823 Senior Administrative Analyst position for the current 1824 Principal Administrative Analyst position to reflect the position as it is currently being advertised. The Department advises that a vacant 1823 Senior Administrative Analyst position could be filled immediately from holdover hiring lists.									
388	009	Premium Pay				3,100		8,516	(5,416)
Increase Premium Pay by \$5,416 which is 5 percent of the 1.00 FTE 1272 Senior Departmental Personnel Officer's annual maximum salary of \$108,321. This would fund the supervisory differential required by the 1272 Senior Departmental Personnel Officer to manage a new direct report, the 1.00 FTE 6141 Manager, Office of Health and Safety position (at a maximum annual salary of \$107,239), which earns approximately the same as the 1272 Senior Departmental Personnel Officer position.									

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Line No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
38	013	Mandatory Fringe Benefits					69,673

Corresponds to reductions in Permanent Salaries - Misc. and an increase in Premium Pay.

PUC Real Estate - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

39	001	Permanent Salaries - Misc.			681,249	658,372	*
* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.							
42	001	Manager VII	0942 AS	1.00	0.00	143,120	0
42	001	Director of Property	4150 AS	0.00	0.00	0	0
42	001	Manager V	0933 AS	0.00	1.00	0	120,243
							(120,243)

The Department has provided insufficient justification for the substitution of a 1.00 FTE 0942 Manager VII position for the current filled 1.00 FTE 4150 Director of Property position. The present incumbent is a classification 4144 Assistant Director of Property with an annual salary of up to \$114,762, plus mandatory fringe benefits. This is \$24,222 less than the maximum annual salary of a 4150 Director of Property position (\$138,984, plus mandatory fringe benefits), and \$28,358 less than the maximum annual salary of a 0942 Manager VII (\$143,120, plus mandatory fringe benefits).

The Management Classification and Compensation Plan classified this position as a 0932 Manager IV position which has a maximum salary of \$111,708, plus mandatory fringe benefits, which is less than the 4144 Assistant Director of Property is currently being paid. The Department is currently appealing this MCCP decision.

The Department responds that comparable City positions are:

- The Director of Property, 0953 Deputy Director III (\$129,299, plus mandatory fringe benefits).
- The Port's Real Estate Director, 0953 Deputy Director III (\$129,299, plus mandatory fringe benefits).

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>To</u>	<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		

- The Airport's Real Estate Director, 0941 Manager VI (\$129,299, plus mandatory fringe benefits).

Yet the Department is requesting an even higher classification, the 0942 Manager VII, on the grounds that its Director of Property manages the largest real estate holdings held by one City department. However, the Budget Analyst notes that:

- (a) While the Director of Property is responsible for management of the Department's property sales and leases, the responsibility for land management resides with the Water Enterprise and Hatch Hatchy Program staff responsible for watershed and right-of-way property management.
- (b) The current 4150 Director of Property classification, with a maximum salary of \$138,984, plus mandatory fringe benefits, would pay up to \$9,685 more than the maximum salary of the Director of Property for the entire City (\$129,299, plus mandatory fringe benefits).
- (c) The Department's Director of Property manages seven positions. By contrast, the Port's Real Estate Director is responsible for a 9375 Assistant Deputy Director and 15 staff positions, and the Airport's Director of Property is responsible for two 0941 manager VI positions (one responsible for concessions, the other responsible for aviation management) and 23 staff positions.

The Budget Analyst considers that reclassification as a 0940 Manager V would provide a promotional opportunity for the present incumbent (a classification 4144 Assistant Director of Property), while keeping this position at a lower grade than the Director of Property, Port Real Estate Director, and Airport Real Estate Director positions who have larger management responsibilities.

390	013	Mandatory Fringe Benefits	6,772
Corresponds to reductions in Permanent Salaries - Misc.			
		Total Recommended Reductions	\$10,602,907
		General Fund Impact	\$0
		Non-General Fund Impact	\$ 10,602,907

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	

RESERVES

CB Power & Water Supply Operations - 5T AAA AAA Hetchy Operating-Non-Proj-Controlled Fund

38	027	Professional & Specialized Services			3,577,656	3,577,656*
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* Reserve a total of \$700,000 for the following consultant contracts, pending determination of more precise scope of work details:

- (a) AEPC for facility energy audits and electricity demand response assessments (\$80,000).
- (b) AEPC/ICF for community choice aggregation implementation (\$150,000).
- (c) AEPC/DUA to test distributed energy resources (\$45,000).
- (d) EMCOR for an energy assessment (\$100,000).
- (e) HMH Resources for a wind energy request for proposals (\$75,000).
- (f) ICF Consulting for community choice aggregation (\$250,000).

CD Water Quality - 5W AAA AAA SFWD-Operating-Non-Proj-Controlled Fund

42	001	Permanent Salaries - Misc.			6,264,261	6,264,261*
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* The recommended reserve in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
408	001	Program Manager II	5133 A	2.00	2.00	244,818	244,818*

* Reserve a total of \$91,807 for the salary of the 1.00 FTE Program Manager II, Director of Laboratories position.

At its March 25, 2005 hearing, the Government Audits and Oversight Committee recommended that nine months (0.75 FTE) of the Director of Laboratories salary in the FY 2005-2006 budget should be reserved pending the Controller's audit of the laboratory cost allocation system. This decision was in response to Recommendation 6.2 of the Budget Analyst's *Phase III Management Audit of the Public Utilities Commission - Water Enterprise Fund*. Given an annual maximum salary of \$122,409, 0.75 FTE has a salary cost of \$91,807.

The Budget Analyst notes, based on two very different organization charts presented during the budget review process in relation to the Director of Laboratories position, that the Department has not determined the managerial responsibilities of this position.

342	027	Professional & Specialized Services	1,350,835	1,350,835*
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* Reserve a total of \$766,730 for the following proposed Water Quality consultant contracts due to lack of sufficient information about how the budgeted contract amounts were determined:

- (a) CIBER process engineering for West Bay System (\$50,000).
- (b) Entrix, Inc. (\$100,000).
- (c) Contract to prepare watershed sanitary survey update report (\$100,000).
- (d) Contract to provide Pulgas Dechlorination Facility support (\$50,000).
- (e) Contract to analyze water regulations (\$80,000).
- (f) Contract to program water quality database (\$130,000).
- (g) Contract for LIMS/GIS link (\$91,730).
- (h) Contract for Water Quality Bureau support (\$50,000).
- (i) Contract to develop Pulgas Dechlorination Facility best business practice (\$15,000).
- (j) Contract for East Bay facility consulting services (\$50,000).
- (k) Toxicological testing consultant (\$25,000).
- (l) Contract for compliance activities (\$25,000).

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

age o.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	
			<u>CP Hatch Hetchy Capital Projects - 5T AAA ACP Hatchy Continuing Proj-Operating Fund</u>				
74	067	Buildings, Structures and Improvements			29,500,000	29,500,000*	

* Reserve 75 percent, or \$22,125,000, of the Hatch Hetchy Enterprise's capital project budget in FY 2005-06 pending submission to the Board of Supervisors of a finalized Hatch Hetchy Enterprise business plan, as recommended in the Budget Analyst's *Phase II Management Audit of the Public Utilities Commission - Hatch Hetchy Enterprise Fund*, Recommendation 9.2. The Budget Analyst's recommendation was approved by the Government Oversight and Audits Committee.

CU Engineering and Construction - 5W PUC OFP PUC Operating Fund

34	027	Professional & Specialized Services	1,503,761	1,503,761*
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* Reserve a total of \$1,183,761 for the following contracts which are projected to be part of the proposed Program, Project and Pre-construction Management Services contract (CS-765) with Parsons Infrastructure, Inc. which is due to be considered by the Board of Supervisors in the near future:

- (a) Claims avoidance (\$200,000).
- (b) Contract automation (\$50,000).
- (c) Crystal database (\$50,000).
- (d) Organizational development (\$158,761).
- (e) Owner-certified insurance program (\$250,000).
- (f) Program controls support and maintenance (\$195,000).
- (g) Quality assurance (\$100,000).
- (h) Retreat facilitator (\$10,000).
- (i) Team building facilitator (\$10,000).
- (j) Value Cad services (\$60,000).
- (k) Westland/ECS program control system (\$100,000).

Total Recommended Reserves

\$24,867,298

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	

POLICY RECOMMENDATIONS

BCU Engineering and Construction - 5W PUC PSF PUC-UEB Personnel Fund

384	001	Permanent Salaries - Misc.	26,919,049	26,538,393	*
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* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

430	001	Manager VI	0941 AT	1.00	0.50	133,954	66,977	66,977
430	001	Clerk	1404 A	2.00	1.50	85,016	63,762	21,254
430	001	Senior Clerk Typist	1426 A	10.00	9.50	484,478	460,254	24,224
431	001	Executive Secretary II	1452 A	4.00	3.50	254,038	222,283	31,755
431	001	Senior Administrative Analyst	1823 A	10.00	9.00	787,308	708,577	78,731
431	001	Administrative Services Manager	1827 A	1.00	0.50	80,269	40,135	40,134
433	001	Public Service Aide - Assistant to Professionals	9922 A	1.00	0.50	34,233	17,117	17,116

Per pending recommendations to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, delete 4.00 FTE filled positions (8.00 FTE on an annualized basis) in the Infrastructure Resources Management Bureau by December 31, 2005 (which will allow a six month transition period) because:

- (a) The Infrastructure Resources Management Bureau's General Administrative and Personnel Section should be abolished. That section's fleet management, mail delivery, purchasing, and personnel hiring functions should be transferred to the Department's administrative bureaus to foster functional integration and management accountability. The unnecessary 8th floor front desk function should be terminated (this is staffed by a 1.00 FTE 1426 Senior Clerk Typist position, a 1.00 FTE 1404 Clerk position, and a 1.00 FTE 9922 Public Service Aide position). None of these positions would be required if the Infrastructure Resources Management Bureau no longer existed. The part-time space planning function should be transferred to the Program Control Bureau.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

age o.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			From	To	From	To	

While the General Administrative and Personnel Section's 1.00 FTE 1827 Administrative Services Manager position would no longer be required, the 1.00 FTE 0922 Manager I position should be transferred to Human Resources Services (along with the 1.00 FTE 1632 Senior Account Clerk position) to ensure that the Infrastructure Division receives sufficient human resources services support.

(b) The Infrastructure Resources Management Bureau's Business Services Section should be disbanded and its functions transferred to the Program Control Bureau and the Department's administrative bureaus to foster functional integration and management accountability. None of the 10.00 FTE positions which provide direct business support and finance services should be eliminated. The Infrastructure Division would continue to retain in-house administrative support comparable to the Department's other divisions.

(c) The Infrastructure Resources Management Bureau's two special projects positions (2.00 FTE 1823 Senior Administrative Analysts) should be eliminated to avoid duplication of functions.

If implemented, the above functional transfers and recommended position eliminations, in conjunction with the transfer of the Contract Administration Section (13.50 FTE) to the Deputy General Manager, would cumulatively result in the abolition of the Infrastructure Resources Management Bureau (and its proposed successor, the "Program Resources Bureau"). There would be no continued justification for the 1.00 FTE 0941 Manager VI (Manager, Infrastructure Resources Management Bureau) position or its 1452 Executive Secretary II position.

The above function, position, and organizational structure rationalizations would reduce the Infrastructure Division's overhead costs (including a reduction of \$280,191 in personnel costs in FY 2005-06), prevent unnecessary expenditures resulting from the creation of a "department within the Department," and promote the integration of the Infrastructure Division's business needs into the Department's overall business services.

However, approval of the above recommendations could result in layoffs of eight staff members, unless other appropriate positions are identified or there is staff attrition.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

Page No.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>	
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>		
430	001	Manager VI	0941 A	2.00	1.25	267,908	167,443	100,465

Per a pending recommendation to be made in the Budget Analyst's *Phase IV Management Audit of the Public Utilities Commission - Public Utilities Commission Bureaus*, delete the filled 1.00 FTE 0941 Manager VI, Workforce Development position by September 31, 2005 because:

- (a) A number of this position's activities duplicate functions which should be performed by the Department's existing business services. For example, personnel data collection, personnel hiring, performance management systems, premium pay systems, staff development and training, and managing the interface with the labor unions are all appropriate functions for the Department's Human Resources Services Section.
- (b) The proposed five year, \$45 million Program, Project and Pre-construction Management Services Contract with Parsons Infrastructure, Inc. requires the selected contractor to provide a "Labor Contract Relations Specialist" to report directly to the Assistant General Manager, Infrastructure and the Director of Human Resources. That specialist's responsibilities directly mirror the labor relations responsibilities of the existing Manager VI, Workforce Development position. By including a "Labor/Contract Relations Specialist" in the proposed Program, Project and Pre-construction Management Services Contract, the Department has taken the position that this function is limited to the lifespan of the Water System Capital Improvement Program and, therefore, can appropriately be performed by a contractor. The Department provides no justification for why this time-limited function needs to be performed by both a high-level City manager and an experienced contractor.

In response, the Department states that this position must be retained for the following reasons:

- (1) A department manager must retain control of the project labor agreements initiative because of the cost implications of any commitments entered into and the agreements' potential impact on the Department's regional customers.
- (2) Project labor agreements will take more than one person to design and implement.
- (3) The City's Department of Human Resources only controls the City workforce, not contractors, and therefore a Department manager needs to be involved to oversee the contractors.
- (4) This position is responsible for youth employment initiatives, a policy priority of the Board of Supervisors.

**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

Department: PUC - Public Utilities Commission

age o.	<u>Object</u>	Position/ Equipment Number	<u>Number</u>		<u>Amount</u>		<u>Savings</u>
			<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	

The Budget Analyst notes that while all of these reasons point to significant responsibilities held by the Department's management, none of them specifically explain why a Manager VI, Workforce Development, at an annual maximum salary of \$133,954 plus mandatory fringe benefits, is required in addition to the current Director of Human Resources, the Infrastructure Bureau's management team, and the proposed Program, Project, and Pre-construction Management Services contract with Parsons Infrastructure, Inc.

The elimination of this position would reduce the Infrastructure Division's overhead costs by \$100,465 in FY 2005-06 and avoid funding both City staff and contractors to provide the same workforce development services.

However, approval of the above recommendation could result in a layoff, unless another appropriate position is identified or there is staff attrition.

34	Mandatory Fringe Benefits	112,674
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Corresponds to reductions in Permanent Salaries - Misc.

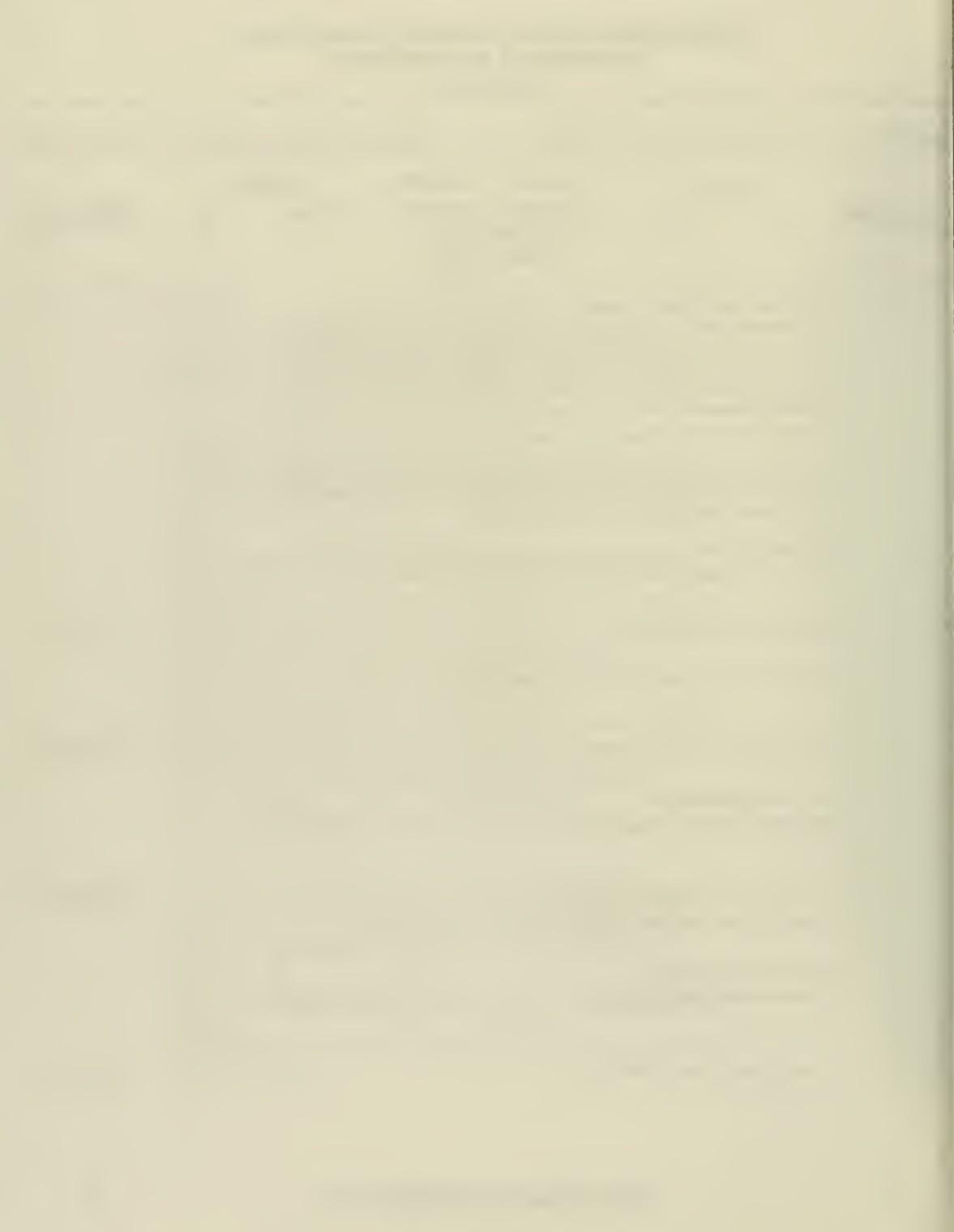
Total Policy Recommendations	\$493,330
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General Fund Impact	\$0
Non-General Fund Impact	\$493,330

Total Recommended Reductions and Policy Recommendations	\$11,096,237
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General Fund Impact	\$0
Non-General Fund Impact	\$ 11,096,237

Total Recommended Reserves	\$24,867,298
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**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

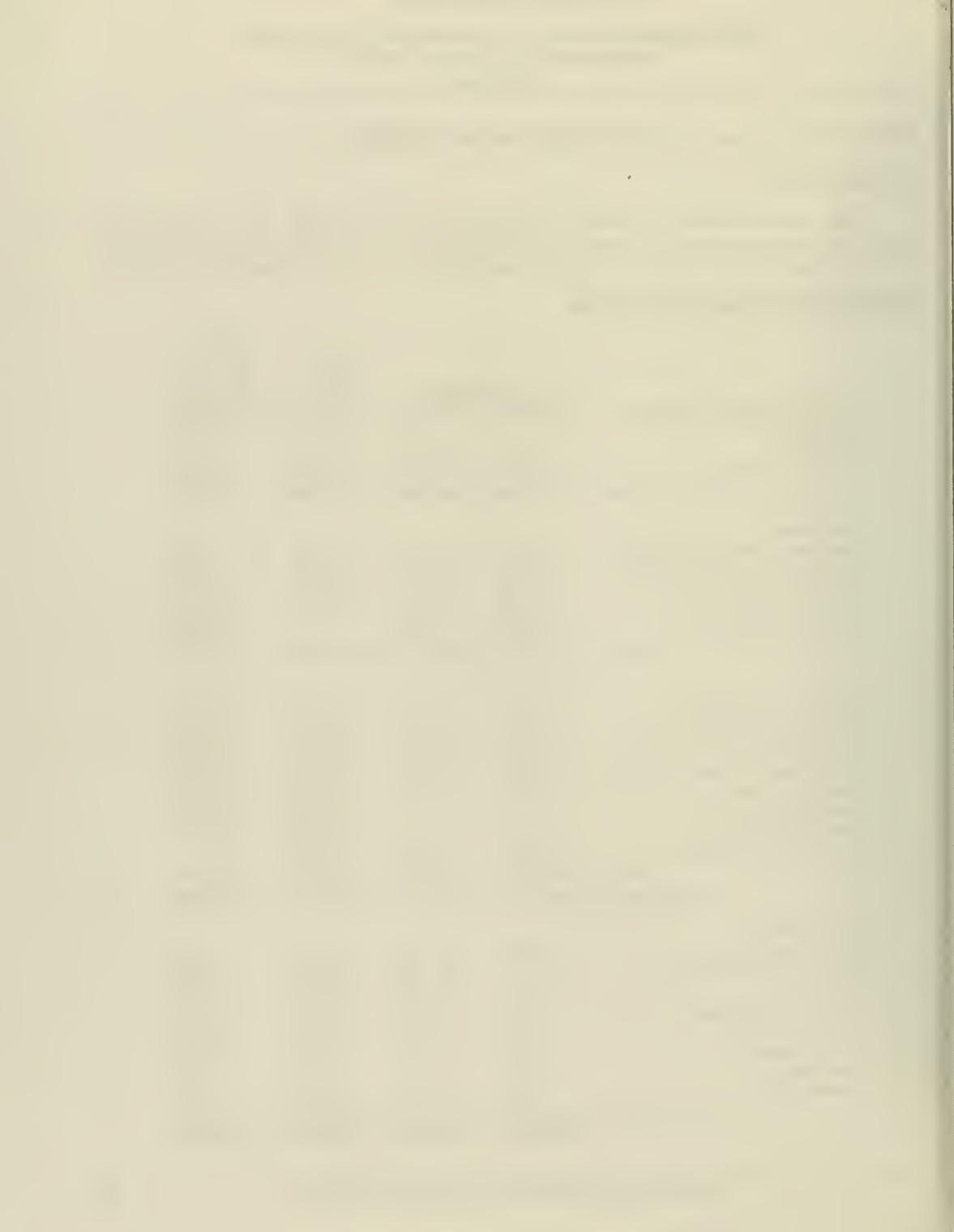
DEPARTMENT: PUC - PUBLIC UTILITIES COMMISSION

FINANCIAL DATA:

The Public Utilities Commission's proposed \$737,484,037 budget for FY 2005-2006 is \$14,882,567 or approximately 1.98 percent less than the original FY 2004-2005 budget of \$752,366,604. The net increase from the revised FY 2004-2005 budget is \$48,781,603 or approximately 7.1 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditure by Enterprise	Fiscal Year 2004-05		Fiscal Year 2005-2006	Proposed Mayor's Increases (Decreases)
	Original	Revised		
Wastewater				
Wastewater	139,805,386	104,021,148	145,702,330	5,896,944
Wastewater Capital Projects	51,731,550	51,046,550	60,900,000	9,168,450
Subtotal	191,536,936	155,067,698	206,602,330	15,065,394
Hetch Hetchy				
LHP Admin & Streetlight Maintenance	2,153,647	2,153,647	2,058,256	(95,391)
Power & Water Supply Operations	101,533,768	99,570,255	104,960,452	3,426,684
Light, Heat and Power	69,097,291	69,098,291	71,601,731	2,504,440
Hetch Hetchy Capital Projects	33,312,000	33,210,000	29,500,000	(3,812,000)
Solar Power Program	5,065,000	5,065,000	-	(5,065,000)
Subtotal	211,161,706	209,097,193	208,120,439	(3,041,267)
Water				
Operations Administration	1,626,468	2,105,699	36,319,961	34,693,493
Water (In-City) Distribution (Retail)	111,908,898	82,888,746	93,621,029	(18,287,869)
Water Quality	13,420,699	13,427,190	12,980,508	(440,191)
Water Supply & Treatment (Wholesale)	55,477,061	55,455,085	36,287,162	(19,189,899)
Natural Resources	1,017,995	952,822	6,594,889	5,576,894
Water Resources	-	-	2,455,041	2,455,041
Water Capital Projects	73,735,000	73,735,000	34,355,000	(39,380,000)
Water Programmatic Projects	1,000,000	1,000,000	1,000,000	-
Subtotal	258,186,121	229,564,542	223,613,590	(34,572,531)
Total Enterprises	660,884,763	593,729,433	638,336,359	(22,548,404)
SFPUC Bureaus				
PUC General Manager	12,556,877	12,778,504	13,405,250	848,373
Engineering & Construction	39,137,174	40,051,794	41,408,248	2,271,074
Finance	6,073,921	6,281,477	7,437,796	1,363,875
Information Technology	12,846,775	14,161,350	14,714,932	1,868,157
Customer Services	9,639,624	9,941,339	11,148,264	1,508,640
Human Resources	5,044,879	5,072,629	6,433,838	1,388,959
Real Estate	1,320,373	1,358,467	1,522,585	202,212
External Affairs	4,862,218	5,327,441	3,076,765	(1,785,453)
Total SFPUC Bureaus	91,481,841	94,973,001	99,147,678	7,665,837
Total	752,366,604	688,702,434	737,484,037	(14,882,567)



**RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2005-2006**

DEPARTMENT:**PUC - PUBLIC UTILITIES COMMISSION****DESCRIPTION**

The Department's proposed FY 2005-2006 budget reflects a number of significant changes, including:

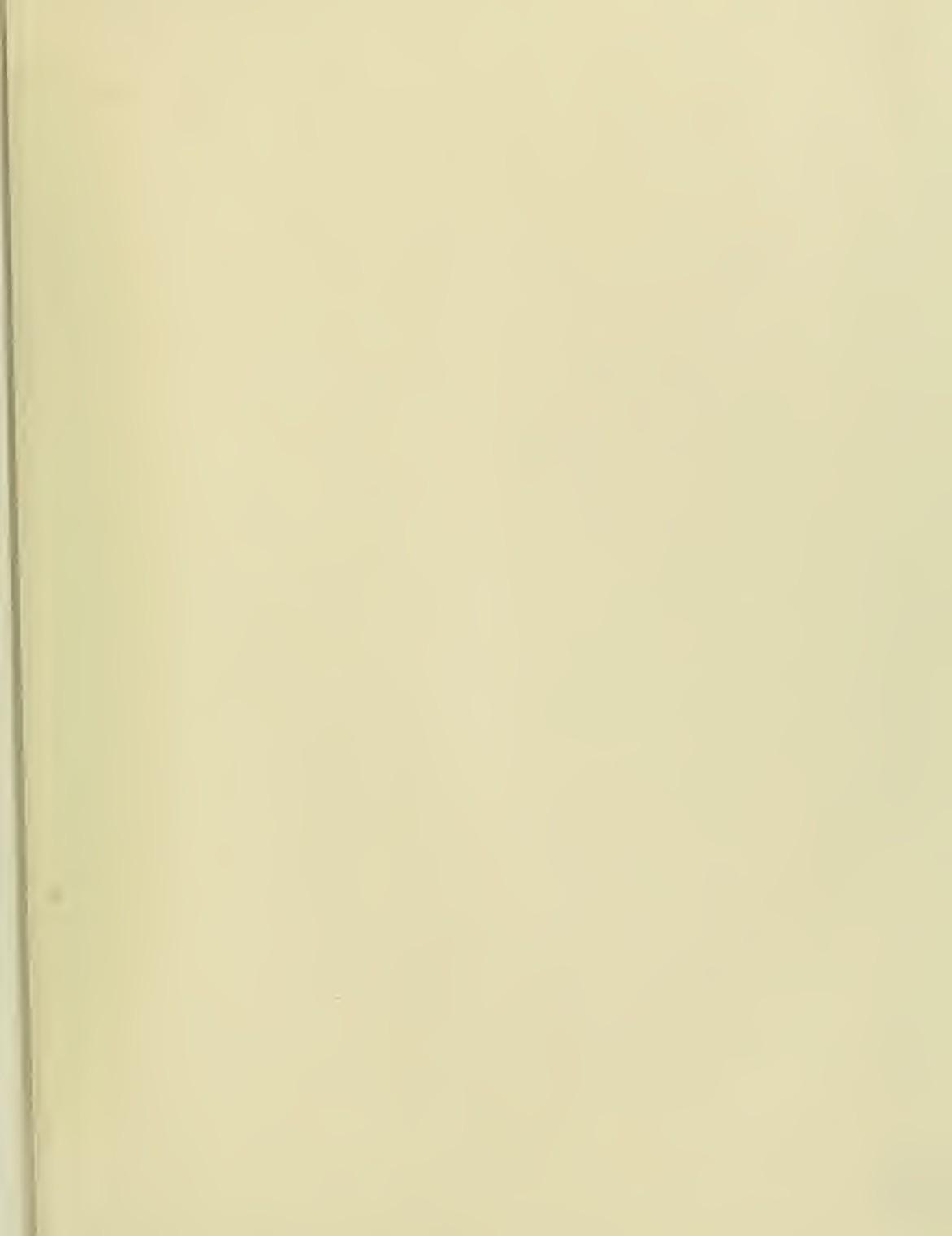
- The ongoing restructuring of the Department into three enterprises: (a) the Wastewater Enterprise; (b) the Power Enterprise; and (c) the Water Enterprise.
- The increase of 71.37 FTEs includes 27.77 FTE new positions. Of these positions, the Budget Analyst recommends approval of 16.02 FTE and disapproval of 11.75 FTE.
- A \$15,065,394 increase in the Wastewater Enterprise's budget. Changes include (a) assuming responsibility for the majority of the former Bureau of Environmental Regulation and Management's functions, (b) the transfer of the Southeast and Oceanside Water Treatment Plant Laboratory budget to the Wastewater Enterprise, and (c) new initiatives related to additional sewer cleaning (\$1 million), inspections and treatment of catch basins (\$1.5 million), and increasing sewer inspections to 10 percent of sewers annually (\$500,000).
- A \$3,041,267 reduction in the Power Enterprise's budget due to reduced capital expenditures and changes to the funding of its solar power, renewable energy, and energy efficiency initiatives. (See the "Board of Supervisors Policy Priorities" Section below.)
- Despite a budget reduction of \$34,572,531, the Water Enterprise is undertaking new initiatives related to its Infrastructure Leakage Index Program, Lands Management and Landscape Maintenance Program, fisheries monitoring, security and water contamination emergency response, auxiliary water supply, and safety procedures. A Natural Resources Section has been created within the Water Enterprise to focus on lands management and environmental services.
- In FY 2005-2006, the Public Utilities Commission will transfer \$39,444,576, or approximately 5.2 percent of its budget, to other City departments, both General Fund and enterprise departments, for work orders to pay for various services provided by other City departments.

BOARD OF SUPERVISORS POLICY PRIORITIES

The Public Utilities Commission's proposed FY 2005-2006 budget addresses the Board of Supervisors' FY 2005-2006 budget priorities, as agreed on May 3, 2005, in the following ways:

- *Solar power, renewable energy, and energy efficiency:* The proposed FY 2005-2006 appropriation of \$8.5 million for the Clean Energy/Clean Air Initiative will fund renewable energy and energy efficiency projects for General Fund and enterprise departments. Not included in the Department's FY 2005-06 budget are three solar projects at San Francisco General Hospital, the Airport, and the Water Department which the Public Utilities Commission has directed staff to pursue , which will be funded by a projected \$12 million in certificates of participation.
- *Youth employment and apprenticeship programs:* The Public Utilities Commission is carrying forward FY 2004-05 funds for ongoing youth employment and apprenticeship programs that employ at-risk and low-income youth. Of the \$2.5 million budgeted in FY 2004-05, \$640,000 has been spent and the rest has been programmed for expenditure in FY 2005-06 (\$1.3 million) and in FY

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